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Transcript Exhibit(s)

Docket #(s): <u> </u>	J-02465A-15-0367	
<u>\</u>)-0246A-15-0370	·
	ws 036764 - 15-0368	
7	WS-02676H-15-0371	
-		Arizona Corporation Commissio
-		DOCKETED AUG 1 6 2016
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BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE	
Chairman BOB STUMP	
Commissioner	
BOB BURNS	
Commissioner	
TOM FORESE	
Commissioner ANDY TOBIN	
Commissioner	
IN THE MATTER OF THE APPLICATION OF	
IN THE MATTER OF THE APPLICATION OF)	DOCKET NO. W-02465A-15-0367
LIBERTY UTILITIES (BELLA VISTA WATER)) CORP., AN ARIZONA CORPORATION, FOR A)	
DETERMINATION OF THE FAIR VALUE OF)	
ITS UTILITY PLANTS AND PROPERTY AND	
FOR INCREASES IN ITS WATER RATES AND)	
CHARGES FOR UTILITY SERVICE BASED	
THEREON.	
IN THE MATTER OF THE APPLICATION OF	D. C.
IN THE MATTER OF THE APPLICATION OF)	DOCKET NO. W-02465A-15-0370
LIBERTY UTILITIES (BELLA VISTA WATER)) CORP., AN ARIZONA CORPORATION, FOR)	
AUTHORITY TO ISSUE EVIDENCE OF	
INDEBTEDNESS IN AN AMOUNT NOT TO	
EXCEED \$4,700,000.	
IN THE MATTER OF THE APPLICATION OF)	DOCKETNO WE SEE A COMME
LIBERTY UTILITIES (RIO RICO WATER &)	DOCKET NO. WS-02676A-15-0368
SEWER) CORP., AN ARIZONA CORPORATION,)	
FOR A DETERMINATION OF THE FAIR	
VALUE OF ITS UTILITY PLANTS AND	•
PROPERTY FOR INCREASES IN ITS WATER	
CHARGES FOR UTILITY SERVICE BASED	
RATES AND THEREON.	
IN THE MATTER OF THE APPLICATION OF	DOCKET NO. WS-02676A -15-0371
LIBERTY UTILITIES (RIO RICO WATER &)	2001311 140. W3-020/0A -13-03/1
SEWER) CORP., AN ARIZONA CORPORATION,)	
FOR AUTHORITY TO ISSUE EVIDENCE OF	
INDEBTEDNESS IN AN AMOUNT NOT TO)	
EXCEED \$8,900,000.	
)	

DIRECT TESTIMONY

IN SUPPORT OF

THE SETTLEMENT AGREEMENT

OF

JAMES R. ARMSTRONG

REVENUES REQUIREMENTS AND AUDIT SECTION

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

AUGUST 2, 2016

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EXECUTIVE SUMMARY LIBERTY UTILITIES (BELLA VISTA WATER) CORP., AND LIBERTY UTILITIES (RIO RICO WATER & SEWER CORP. DOCKETS W-02465A-15-0367, WS-02676A-15-0368, W-02465A-15-0370 AND WS-0267A-15-0371

Mr. Armstrong's testimony supports the adoption of the Settlement Agreement ("Agreement") as proposed by the Signatories in this case. This testimony describes the settlement process as open, candid, transparent and inclusive of all Signatories to the Agreement. Mr. Armstrong explains why Staff believes the Agreement is in the public interest.

Mr. Armstrong's testimony recommends that the Commission adopt the Agreement as proposed.

SECTION I - INTRODUCTION

- Q. Please state your name and business address.
- A. My name is James R. Armstrong. I am employed as the Chief Accountant of the Revenue Requirements and Audits Section of the Utilities Division ("Staff") of the Arizona Corporation Commission ("ACC" or "Commission"). My business address is 1200 West
 - Washington Street, Phoenix, Arizona 85007.
- Q. Please provide an overview of your education and work experience.
- A. I hold a Master Degree with a concentration in Accounting and a Bachelors Degree with a concentration in Finance, both received from Kansas State University. I have earned the distinction of being a Certified Public Accountant ("CPA"), though I do not practice as a CPA. I have worked in the area of utility regulation for over 30 years. Approximately 11 years of this time was spent as the Rate Manager and/or as the Manager of Financial Planning for Oklahoma Natural Gas Company. I have also served in various capacities for the Kansas Corporation Commission, the Oklahoma Corporation Commission, and the Residential Utility Consumer Office ("RUCO") in Arizona. I began my current employment with the ACC in September of 2012.
- Q. Are you the same James R. Armstrong who filed direct and surrebuttal testimony in these dockets?
- A. Yes.
- Q. What is the purpose of the testimony you are now filing?
- A. The purpose of my testimony is to support the Proposed Comprehensive Settlement Agreement ("Agreement"). I will also provide testimony which addresses the settlement process, public interest benefits, and general policy considerations.

Q. Did you participate in the negotiations that led to the execution of the Agreement?

A. Yes.

Q. How is your testimony being presented?

A. My testimony is organized into three sections. Section I is this introduction, Section II provides a brief background, Section III provides discussion of the settlement process, and Section IV discusses the various parts of the Agreement and discusses the reasons why the Agreement is in the public interest.

SECTION II - BACKGROUND

Q. Please provide a brief background of this proceeding.

A. On October 28, 2015 Liberty Utilities (Bella Vista Water) Corp. ("Bella Vista" or "Company") filed an application for a permanent rate increase in Docket No. W-02465A-15-0367. On November 2, 2015 Bella Vista filed an application in Docket No. W-02465A-15-0370 requesting authority from the Commission to issue evidence of indebtedness in a total amount not to exceed \$4,700,000 ("Financing Docket"). On October 28, 2015 Liberty Utilities (Rio Rico Water & Sewer) Corp. ("Rio Rico" or "Company") filed an application for a permanent rate increase in Docket No. WS-02675A-15-0368. On November 2, 2015, Rio Rico filed an application in Docket No. WS-02676A-15-0371 requesting authority from the Commission to issue evidence of indebtedness in a total amount not to exceed \$8,900,000. On November 3, 2015 Bella Vista and Rio Rico filed motions to consolidate both rate dockets and both finance dockets. On December 3, 2015 a procedural order was entered consolidation all of the rate dockets and finance dockets for further proceedings.

A.

Q. Please summarize Bella Vista's filing.

3 4 5 Bella Vista proposed total annual operating revenue of \$6,179,053. This represented an increase of \$1,554,323 or, 33.61 percent, over test year revenue of \$4,624,730. The proposed revenue increase would produce an operating income of \$1,209,727 for a 9.16 percent rate of return on adjusted original cost rate base ("OCRB") of \$13,205,189. The Company proposed to use OCRB as its Fair Value Rate Base ("FVRB"). Bella Vista's filing was based on the

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Q. Please summarize Rio Rico Water's filing.

twelve months ended December 31, 2014 ("test year").

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A. Rio Rico Water proposed a \$683,856 or 22.55 percent revenue increase from \$3,032,792 to \$3,716,648. The proposed revenue increase would produce an operating income of \$762,189 for an 8.60 percent rate of return on its proposed OCRB of \$8,861,632. The Company proposed to use its OCRB as its FVRB. Rio Rico Water's filing is based on the twelve months ended December 31, 2014 ("test year").

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Q. Please summarize Rio Rico Sewer's filing.

17 18 A.

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Rio Rico Sewer proposed a \$226,351, or 15.31 percent revenue increase from \$1,478,323 to \$1,704,674. The proposed revenue increase would produce an operating income of \$460,616

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for an 8.60 percent rate of return on its proposed OCRB of \$5,355,381. The Company

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proposed to use OCRB as its FVRB. Rio Rico Sewer's rate filing is based on the twelve

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months ended December 24, 2014 ("test year").

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Q. What is the revenue increase for Bella Vista Water recommended by the Parties?

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Α.

percent.

For Bella Vista, the Parties agreed to a total revenue requirement of \$5,569,296, which results in an increase in revenue equal to \$958,954 over test year revenue, an increase of 20.80

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Q. What is the revenue increase for Rio Rico Water recommended by the Parties?

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A. For Rio Rico Water, the Parties agreed to a total revenue requirement of \$3,886,431, which results in an increase in revenue equal to \$814,262, over test year revenue, an increase of 26.50 percent.

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Q. What is the revenue increase for Rio Rico Sewer recommended by the Parties?

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A. For Rio Rico Sewer, the Parties agreed to a total revenue requirement of \$1,640,590, which results in an increase in revenue equal to \$162,266, over test year revenue, an increase of

10.98 percent.

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Q. What is the overall rate of return recommended by the Parties for the Companies?

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Α.

The Parties agreed to an overall rate of return of 7.72 percent for the Companies, with a 9.70

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SECTION III - SETTLEMENT PROCESS

percent cost of equity.

Q. Please discuss the settlement process.

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The settlement process was open, transparent and inclusive. Staff filed a Notice of

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Settlement Discussions in these dockets on July 19, 2016. The Notice was emailed and

19 20 mailed to all of the Parties, assuring that all of the Parties received notice of the time and place of the settlement meeting which took place at the Commission's office in Phoenix on

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July 25, 2016. All of the parties to these dockets were accorded the opportunity to attend the

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settlement meeting and, at the meeting, all of the parties that attended were accorded an

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opportunity to raise, discuss, and propose resolution to any issue that they desired.

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Q. Who participated in the settlement meeting?

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A. The Companies, RUCO, and Staff participated in the meeting.

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1 Q. Was there an opportunity for all issues to be discussed and considered? 2 A. Yes, each party had the opportunity to raise issues and to have its issues considered. 3 4 Q. Were the parties able to resolve all issues? 5 Α. Yes, the Parties were able to resolve and reach agreement on all issues. 6 7 Q. How would you describe the negotiations? 8 A. I believe that all of the participants zealously advocated and represented their interests. I 9 would characterize the discussions as candid but professional. 10 11 Q. Would you describe the process as requiring give and take? 12 A. Yes, As a result of the varied interests represented in the settlement process, a willingness to 13 compromise was necessary. As evidenced in the Agreement, the Parties compromised on 14 what could be described as significantly different litigation positions. 15 16 Q. Because of such compromises, do you believe that the public interest was 17 compromised? 18 A. No. As I will discuss later in this testimony, I believe that the compromises the Parties made 19 further the public interest. 20 21 SECTION IV - THE SETTLEMENT AGREEMENT 22 Q. What are the significant sections of the Agreement? 23 A. The Agreement contains a section detailing the revenue requirement and rate increase for 24 each company, a section detailing miscellaneous settlement terms and conditions, a section

providing for Commission evaluation of the proposed settlement, a section detailing

miscellaneous provisions concerning how the settlement was reached and related matters, and

an attachment documenting the numerical details of the proposed settlement. Subsequent to the filing of the Agreement, the parties determined that there was an inconsistency regarding the bonus and incentive pay category of cost allocations between the Agreement and the schedules. That inconsistency, if corrected, would result in a minimal increase to the Company's revenues. As any change would be *de minimis* and would be detrimental to the ratepayers, the Company has requested that no changes be made to the schedules, and Staff and RUCO agree.

Q. Is the Settlement Agreement in the public interest?

A. Yes, there are several reasons why the Agreement is in the public interest. The terms of the Agreement produce revenue requirements that will result in rates that are just and reasonable. Settlement of all of the contested issues will save time and the expense of a contested hearing. Further, the Agreement will allow the Companies to earn an overall rate of return of 7.72 percent and a 9.70 percent return on equity, which will provide the Companies sufficient revenue to provide safe and reliable water service.

Q. Does this conclude Staff's direct testimony?

A. Yes, it does.



LIBERTY UTILITIES CORPORATION (BELLA VISTA WATER AND RIO RICO WATER AND SEWER) DOCKET NOS. W-02465A-15-0367 et al.

OF
ROBERT B. MEASE

ON BEHALF OF THE
RESIDENTIAL UTILITY CONSUMER OFFICE

AUGUST 2, 2016

Direct Settlement Testimony of Robert B. Mease Liberty Utilities Corp. (Bella Vista Water; Rio Rico Water and Wastewater) Docket No. W02465A-15-0367 et. al.

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EXECUTIVE SUMMARY

The Arizona Residential Utility Consumer Office ("RUCO") presents the direct testimony of Mr. Robert B. Mease, Chief of Accounting and Rates for RUCO, in support of the Proposed Settlement Agreement ("Settlement" or "Agreement") on Liberty Utilities Corps. request for a permanent rate increase for both its Bella Vista Water and Rio Rico Water and Wastewater systems. Mr. Mease recommends that the Arizona Corporation Commission adopt the Proposed Settlement Agreement for the following reasons:

The Proposed Settlement Agreement reflects an outcome that is fair to both the ratepayer and Bella Vista Water and Rio Rico Water and Wastewater and is in the public interest.

The Proposed Settlement Agreement is a comprehensive settlement agreement. Its terms settle a wide range of issues that were of interest to the parties.

RUCO supports the Proposed Settlement Agreement in its entirety because it contains numerous benefits to the consumer which will be discussed in Mr. Mease's testimony.

The Proposed Settlement Agreement resolves many issues related to rate base and expense items and the company's revenue requirement for both Bella Vista Water and Rio Rico Water and Wastewater was reduced from \$2,464,476 to a final agreed upon revenue increase of \$1,935,482. In addition, the proposed agreement resolves several additional areas that RUCO considers important including; 1) reaching agreement on the Company's corporate allocation manual ("CAM"); 2) agreement to Cost of Equity of 9.70%, and Cost of Debt of 3.10%; 3) the Company's decision to drop their request for a Fair Value Arizona Rate Evaluation or "FARE" model; and 4) all proposed surcharges and adjustor mechanisms were either eliminated or incorporated into the proposed agreement.. These issues were addressed satisfactorily in the Proposed Settlement Agreement and will be explained more fully in Mr. Mease's testimony.

INTRODUCTION

Α.

- Q. Please state your name, occupation and business address for the record.
- A. My name Robert B. Mease. I am Chief of Accounting and Rates for the Arizona Residential Utility Consumer Office ("RUCO"). My business address is 1110 W. Washington Street, Suite 220, Phoenix, Arizona 85007.

Q. Please state your background and qualifications for the record.

I joined RUCO in October of 2011 and was elevated to Chief of Accounting and Rates in August of 2013. I am a Certified Public Accountant ("CPA") and currently licensed in the state of West Virginia, as well as a Certified Rate of Return Analyst ("CRRA"). My years of work experience includes serving as Vice President and Controller of Energy West, Inc. a public utility and energy company located in Great Falls, Montana. While with Energy West, I had responsibility for all utility filings and participated in several rate case filings on behalf of the utility. As Energy West was a publicly traded company listed on the NASDAQ Exchange, I also had responsibility for all filings with the Securities and Exchange Commission.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to explain RUCO's support of the Liberty

Utilities Corp. (Bella Vista and Rio Rico's Water and Wastewater)

Proposed Settlement Agreement ("Settlement or Agreement").

Q. Have you participated in other settlement negotiations?

A. Yes. I have participated in settlement negotiations in other matters that have come before the Arizona Corporation Commission ("ACC" or "Commission"). These negotiations have resulted in reaching an accord with the utility and the other settling parties, leading to the signing and support of a settlement agreement.

THE SETTLEMENT PROCESS

- Q. Was the negotiation process that resulted in the Settlement Agreement a proper and fair process?
- A. Yes. The Agreement is the result of numerous hours of negotiation and a willingness among the parties to compromise. The negotiations were conducted in a fair and reasonable way that allowed each party the opportunity to participate. All parties had an opportunity to participate in the negotiation. Furthermore, all parties were allowed to express their positions fully.

Q. Did all the parties sign the Agreement?

- A. Yes. All parties in this case have agreed to this Settlement.
- 4 Q. Why is a negotiated settlement process an appropriate way to resolve this matter?
 - A. By its very nature, a settlement finds middle ground that the parties can support. All parties that participated in the settlement talks were sophisticated parties who participated fully in the ACC's regulatory processes.

Settlement negotiations began only after each party had the opportunity to analyze Bella Vista and Rio Rico's Application(s), file direct and rebuttal testimony's, and evaluate the direct and surrebuttal testimony's of other Interveners. This Agreement in no way eliminates the ACC's constitutional right and duty to review this matter and to make its own determination, whether the Agreement is truly balanced and the rates are just and reasonable.

SUMMARY OF TESTIMONY

- Q. Please summarize your testimony.
- A. The Agreement reflects an outcome that is fair to the consumer and to both Bella Vista and Rio Rico and is in the public interest. Furthermore, this is a comprehensive agreement. Its terms settle a wide range of issues

that were of interest to the parties. RUCO supports the Agreement in its entirety because it contains numerous benefits to the consumer. Those benefits include; 1) reducing the Company's revenue increase from \$2,464,476 to \$1,935,482. 2) reaching agreement on the Company's corporate allocation manual ("CAM") and the expenses to be included in the allocation process; 3) agreement on the Cost of Equity of 9.70%, and Cost of Debt of 3.10%; 4) the Company's decision to drop their request for a Fair Value Arizona Rate Evaluation or "FARE" model in this case; and 5) all proposed surcharges and adjustor mechanisms were either eliminated or incorporated into the proposed agreement..

SETTLEMENT PROVISIONS

- Q. What are the most significant benefits to the residential consumer?
- A. Among the more significant benefits to the residential consumer:
 - The settlement agreement reduced the requested revenue increase by approximately \$529,000. All parties came to agreement on rate base items including fair value rate base, post-test year plant, Accumulated Deferred Income Taxes ("ADIT") balances, Advances In Aid of Construction, Corporate Plant and Cash Working Capital. In addition, all parties came to agreement on certain expenses such as operating expenses, depreciation, contract professional services, salaries and wages expense, incentive pay and declining usage adjustments.

The Company, RUCO and Staff reached agreement on the

methodology and the types of expenses that can be allocated to the

Company's Arizona's systems in this case, as well as going forward.

Agreement on Cost of Equity of 9.70% and Cost of Debt of 3.10% - In

its initial filing Liberty Bella Vista Water had requested 11.60% Cost of

Equity and 3.47% Cost of Debt while Liberty Rio Rico was requesting

The Company dropped its request for a FARE program which was

being introduced as a trial program and was to give the Company the

opportunity to increase rates between rate case applications without

Surcharges and Adjustment Mechanisms eliminated - Through

negotiations the Property Tax Adjuster Mechanism was eliminated.

10.80% Cost of Equity and also a 3.47% Cost of Debt.

determining fair value from RUCO's perspective.

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15 PUBLIC INTEREST

- Q. How is the public interest satisfied by the Agreement?
- A. The Settlement Agreement satisfies the public interest from RUCO's perspective in that it provides favorable terms and protections for residential consumers as defined above. The Agreement also satisfies the public interest by providing a fair and balanced approach to addressing the Company's concerns on required costs and revenue.

Direct Settlement Testimony of David Tenney Liberty Utilities (Black Mountain Sewer) Corp. Docket Nos. SW-02361A-15-0206 and SW-02361A-15-0207

- 1 Q. Does this conclude your testimony on the Agreement?
- 2 A. Yes it does.

1 2 3 4	SHAPIRO LAW FIRM, P.C. Jay L. Shapiro (No. 014650) 1819 E. Morten Avenue, Suite 280 Phoenix, Arizona 85020 Telephone (602) 559-9575 jay@shapslawaz.com	
5	LIBERTY UTILITIES Todd C. Wiley (No. 015358) 12725 W. Indian School Road, Suite D-101 Avondale, Arizona 85392	
7	(623) 240-2087 Todd.Wiley@libertyutilities.com	
8 9	Attorneys for Liberty Utilities (Bella Vista Wate and Liberty Utilities (Rio Rico Water & Sewer)	
10	BEFORE THE ARIZONA COR	PORATION COMMISSION
11		1
12	IN THE MATTER OF THE APPLICATION OF LIBERTY UTILITIES (BELLA VISTA	DOCKET NO: W-02465A-15-0367
13	WATER) CORP., AN ARIŻONA CORPORATION, FOR A	
14	DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND	
15	PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.	
16	UTILITY SERVICE BASED THEREON.	
17	IN THE MATTER OF THE APPLICATION OF LIBERTY UTILITIES (BELLA VISTA	DOCKET NO: W-02465A-15-0370
18	WATER) CORP., AN ARIZONA CORPORATION, FOR AUTHORITY TO	
19	ISSUE EVIDENCE OF INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED	
20	\$4,700,000.	
21	IN THE MATTER OF THE APPLICATION	DOCKET NO: WS-02676A-15-0368
22	OF LIBERTY UTILITIES (RIO RICO WATER & SEWER) CORP., AN ARIZONA	
23	CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE	
24	OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS	
25	WATER AND WASTEWATER RATES AND CHARGES FOR UTILITY SERVICE	
26	BASED THEREON.	EXHIBIT
SHAPIRO LAW FIRM A PROFESSIONAL CORPORATION		i A

IN THE MATTER OF THE APPLICATION OF LIBERTY UTILITIES (RIO RICO WATER & SEWER) CORP., AN ARIZONA CORPORATION, FOR AUTHORITY TO ISSUE EVIDENCE OF INDEBTEDNESS IN DOCKET NO: WS-02676A-15-0371 AN AMOUNT NOT TO EXCEED \$8,900,000. TESTIMONY OF MATTHEW GARLICK IN SUPPORT OF COMPREHENSIVE SETTLEMENT AGREEMENT August 2, 2016

SHAPIRO LAW FIRM A PROFESSIONAL CORPORATION

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SHAPIRO LAW FIRM A PROFESSIONAL CORPORATION

1	I.	INTRODUCTION.
2	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
3	A.	My name is Matthew Garlick. My business address is 12725 W. Indian School Road,
4		Suite D-101, Avondale, Arizona 85392.
5	Q.	ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?
6	A.	I am providing testimony on behalf of Liberty Utilities (Bella Vista Water) Corp.
7		("Liberty Bella Vista") and Liberty Utilities (Rio Rico Water & Sewer) Corp.
8		("Liberty Rio Rico") (collectively "Liberty BV/RR" or "Applicants").
9	Q.	BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?
10	A.	I am employed by Liberty Utilities as President of AZ/TX.
11	Q.	WHAT IS THE PURPOSE OF THIS TESTIMONY?
12	Α.	To express Liberty BV/RR's support for the proposed Comprehensive Settlement
13		Agreement executed and filed on July 29, 2016 ("Comprehensive Scttlement")
14		between Liberty Bella Vista, Liberty Rio Rico, the Arizona Corporation Commission
15		Utilities Division Staff ("Staff"), the Residential Utility Consumer Office
16		("RUCO"), and the Western Infrastructure Sustainability Effort ("WISE")
17		(collectively, the "Parties").
18	Q.	HAVE THE PARTIES RESOLVED ALL ISSUES THAT WERE IN DISPUTE
19		BETWEEN THEM IN THE PREFILED TESTIMONY?
20	A.	Yes.
21	II.	THE COMPREHENSIVE SETTLEMENT.
22		A. Terms and Conditions.
23	Q.	WHAT IS THE PURPOSE OF THE COMPREHENSIVE SETTLEMENT?
24	A.	To settle all issues that remain in dispute in our pending rate cases, Commission
25		Docket Nos. W-02465A-15-0367 and WS-02676A-15-0368, and in our pending

financing applications, Docket Nos. W-02465A-15-0370 and WS-02676A-15-0371. These four dockets were consolidated. The Parties have agreed to the determination of fair value rate base, establishment of a revenue requirement, and the setting of rates for water utility service by Liberty Bella Vista and water and sewer utility service by Liberty Rio Rico. The Parties also have agreed on several issues for this case and moving forward, including the Liberty Utilities Cost Allocation Manual ("CAM") and allocation methodologies, indirect overhead ("INDOH"), and treatment of incentive pay for local employees. I won't attempt to speak to every single issue that was resolved. But I can say that all of the critical issues, including the rate of return and the Fair Value Arizona Rate Making Model ("FARE") have been settled between the Parties.

Q. WILL YOU PLEASE SUMMARIZE THE GENERAL RATEMAKING TERMS?

A. The Parties have agreed to a Fair Value Rate Base ("FVRB") of \$11,633,206 for Liberty Bella Vista, \$10,454,760 for Liberty Rio Rico's water division, and \$5,279,632 for Liberty Rio Rico's sewer division. The Parties have agreed to a total revenue requirement of \$5,569,296 for Liberty Bella Vista, which revenue requirement results in an increase in revenues of \$958,954, or 20.80 percent. The Parties have agreed to a total revenue requirement of \$3,886,431 for Liberty Rio Rico water, which revenue requirement results in an increase in revenues of \$814,262, or 26.50 percent. The Parties also have agreed to a total revenue requirement of \$1,640,590 for Liberty Rio Rico sewer, which revenue requirement

¹ Comprehensive Settlement at 5, ¶ 2.2, and Settlement Schedule B-1 (Liberty Bella Vista, Liberty Rio Rico water and Liberty Rio Rico sewer).

² Comprehensive Settlement at 4, ¶ 2.1, and Settlement Schedule A-1 (Liberty Bella Vista).

³ Comprehensive Settlement at 4, ¶ 2.1, and Settlement Schedule A-1 (Liberty Rio Rico water).

Q. YOU MENTIONED THAT THE DISPUTE OVER INCENTIVE PAY HAS BEEN RESOLVED?

A. Yes. The Parties have agreed to recognize 90 percent of the test year performance based compensation and incentive pay paid to local Liberty Utilities Service Corp. employees in this case and moving forward for our other Arizona utilities. We think this is a fair resolution of an issue that has been in dispute in other Liberty Utilities rate cases in a manner consistent with another recent Commission decision. Additionally, the Parties have agreed to include known and measurable 2015 and 2016 pay increases for Liberty Utilities Service Corp. employees that work in Arizona and provide labor and services to Liberty BV/RR. The Parties recognize these pay increases as a necessary and reasonable operating expense.

Q. WHAT HAVE THE PARTIES WORKED OUT WITH REGARD TO THE PPAM AND PTAM?

A. The Parties agree that the PPAM is reasonable and should be approved. Liberty BV/RR is withdrawing the request for the PTAM as part of the compromise terms of the settlement.⁷

 $^{^4}$ Comprehensive Settlement at 4, \P 2.1, and Settlement Schedule A-1 (Liberty Rio Rico sewer).

⁵ Comprehensive Settlement at 8-9, ¶¶ 2.5.1-2.5.4, and Settlement Schedule D-1 (Liberty Bella Vista, Liberty Rio Rico water and Liberty Rio Rico sewer).

⁶ Epcor Water Arizona Inc., Decision No. 75268 (Docket No. WS-01303A-14-0010) at 31:19-28.

⁷ Comprehensive Settlement at 10, $\P\P$ 2.7.5-2.7.6.

Q. WHAT ABOUT THE FARE?

- A. Also as part of the compromise terms, Liberty BV/RR has agreed to set aside its request for the FARE at this time given the pending System Improvement Benefits Mechanism ("SIB") appeal before the Arizona Supreme Court. Should the court reinstate the SIB mechanism, the Parties agree that Liberty BV/RR may seek approval of SIBs for Liberty BV/RR.⁸
- Q. OKAY, ARE THERE ANY RATE DESIGN ISSUES YOU'D LIKE TO MENTION THAT HAVE BEEN RESOLVED?
- A. Yes, the Comprehensive Settlement reflects the Parties' agreement on the rate design, including reconnection costs for Liberty Rio Rico's sewer division. The Parties agree that Liberty Rio Rico sewer's charge for disconnection and reconnection for non-payment will be the actual cost, including costs for things such as excavation and trenching, pipeline modification, backfill and grading, road repairs and permitting. In addition, the Parties have agreed to resolve some confusion that arose out of Liberty BV/RR's attempt to implement Commission-approved low-income tariffs. 10
 - B. Shared Services, Cost Allocation Methodologies and the CAM.
- Q. MR. GARLICK, WOULD YOU PLEASE SUMMARIZE THE SETTLEMENT TERMS RELATED TO THE USE OF SHARED SERVICES AND THE COST ALLOCATIONS?
- A. Generally, the Parties agree that the use of shared services is appropriate and reasonable and that the resulting costs, including allocated corporate plant and INDOH in rate base, are reasonable and necessary costs of service for Liberty

⁸ Comprehensive Settlement at 14, ¶¶ 4.1-4.2.

⁹ Comprehensive Settlement at 10, ¶ 2.7.4.

¹⁰ Comprehensive Settlement at 8, ¶ 2.4.

Q.

in every rate case filed by Liberty Utilities in Arizona.

AS A REMINDER, WHAT ENTITIES DOES LIBERTY UTILITIES

Utilities in Arizona. 11 That means we will not have to keep litigating the same issues

- A. Besides Liberty BV/RR, Liberty Utilities (Litchfield Park Water & Sewer) Corp. ("Liberty Litchfield Park"), Liberty Utilities (Entrada Del Oro Sewer) Corp. ("Liberty EDO"), Liberty Utilities (Gold Canyon Sewer) Corp. ("Liberty Gold Canyon"), and Liberty Utilities (Black Mountain Sewer) Corp. ("Liberty Black Mountain").
- Q. DO THE PARTIES AGREE THAT THE CAM AND THE ALLOCATION OF COSTS TO LIBERTY BELLA VISTA AND LIBERTY RIO RICO RESULT IN A REASONABLE LEVEL OF ALLOCATED COSTS IN THIS RATE CASE?
- A. Yes. First, the Parties agree that customers do benefit from access to capital through the ultimate parent, APUC.¹² The Parties also specifically agree that the 2015 Algonquin Power & Utilities Corp. ("APUC") CAM (dated July 1, 2015), and the methodologies used in connection with the CAM are an acceptable and reasonable means of allocating shared costs, and that the cost levels used in the Settlement Schedules are reasonable costs of service.¹³ These costs include (1) Legal Costs, (2) Tax Services, (3) Audit, (4) Investor Relations, (5) Director Fees and Insurance, (6) Licenses, (7) Escrow and Transfer Agent Fees, (8) Other Professional Services, and (9) Office Administration, which costs arise from shared services provided by APUC and Liberty Utilities Canada and are allocated to Liberty Utilities entities,

OPERATE IN ARIZONA?

¹¹ Comprehensive Settlement at 10-13, § 3.

¹² Comprehensive Settlement at 11, ¶ 3.3.3.

¹³ Comprehensive Settlement at 10, 11-12, \P 3.2, 3.3.1, 3.3.5.

including Liberty Bella Vista and Liberty Rio Rico. 14

Q. SO ANY ALLOCATED COSTS ARE GOING TO BE VIEWED AS REASONABLE IN ANY RATE CASE?

A. No. What the Parties' agreement does is address the shared services model, the cost allocation methodologies and the current CAM, along with the resulting cost levels in this rate case and applied to pending and prospective applications for our other systems in Arizona. The language in the Comprehensive Settlement addresses all of these issues relating to the CAM. The Parties have agreed to approval of those allocation methodologies for Liberty BV/RR and the other Arizona utilities owned by Liberty Utilities. In future rate cases, Staff, RUCO, and other interveners will have the right to verify the costs incurred, and to make independent cost recommendations regarding recoverability of those costs.¹⁵

Q. HOW DOES THE COMPREHENSIVE SETTLEMENT RESOLVE THE INDOH ISSUE?

A. The Parties have agreed that it is appropriate to capitalize a portion of the costs incurred by APUC and Liberty Utilities Canada, and to record a portion of those costs as INDOH. The Parties agree that 21 percent capitalization of allowed costs is appropriate in this case, as well as the upcoming Liberty Litchfield Park rate case. For Liberty Bella Vista, the 21 percent amounts to \$666,727, for Liberty Rio Rico water \$326,264, and for Liberty Rio Rico sewer \$67,219.\frac{16}{2} Additionally, Liberty Utilities has agreed to, on a going forward basis, conduct periodic time studies in order to ensure that the capitalized percentage is appropriate.\frac{17}{2} The Parties have also

¹⁴ Comprehensive Settlement at 11, ¶ 3.3.2.

¹⁵ Comprehensive Settlement at 10, ¶ 3.2.

¹⁶ Comprehensive Settlement at 5, 12, ¶¶ 2.2.3, 3.4.

¹⁷ Comprehensive Settlement at 12, \P 3.5.

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Q. WHAT ABOUT ALLOCATED CORPORATE PLANT?

A. Likewise, the Parties agree that the reasonable costs of shared plant should be allocated and capitalized.¹⁹

III. CONCLUSION.

- Q. ARE THERE ANY OTHER PROVISIONS OF THE COMPREHENSIVE SETTLEMENT THAT YOU WISH TO DISCUSS?
- 2 A. Not at this time.
 - Q. WHY DO YOU BELIEVE THAT COMMISSION APPROVAL OF THE TERMS OF THE COMPREHENSIVE SETTLEMENT IS IN THE PUBLIC INTEREST?
 - A. All parties to the rate case have joined in settling and, collectively, the Parties represent all of the interested stakeholders. The Parties have settled all issues, including agreeing to all of the components of new rates for Liberty Bella Vista and Liberty Rio Rico. I urge the Commission to accept and approve the Comprehensive Settlement as soon as possible.
 - Q. DOES THIS CONCLUDE YOUR TESTIMONY IN SUPPORT OF THE COMPREHENSIVE SETTLEMENT?
 - A. Yes.

¹⁸ Comprehensive Settlement at 13, ¶ 3.6.

¹⁹ Comprehensive Settlement at 12, ¶ 3.4.

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The purpose of this Comprehensive Settlement Agreement ("Comprehensive Settlement") is to settle all issues and claims in Arizona Corporation Commission ("Commission") Docket No. W-02465A-15-0367 (Liberty Utilities (Bella Vista Water) Corp. Rate Case), Docket No. WS-02676A-15-0368 (Liberty Utilities (Rio Rico Water & Sewer) Corp. Rate Case), Docket No. W-02465A-15-0370 (Liberty Utilities (Bella Vista Water) Corp. Financing App.), and Docket No. WS-02676A-15-0371 (Liberty Utilities (Rio Rico Water & Sewer) Corp. Financing App.), which dockets have been consolidated (collectively, the "Consolidated Dockets").

This Comprehensive Settlement is entered into by the following entities:

LIBERTY UTILITIES (BELLA VISTA WATER) CORP.

LIBERTY UTILITIES (RIO RICO WATER & SEWER) CORP.

ARIZONA CORPORATION COMMISSION UTILITIES DIVISION STAFF

RESIDENTIAL UTILITY CONSUMER OFFICE

WESTERN INFRASTRUCTURE SUSTAINABILITY EFFORT

These entities shall be referred to collectively as "Parties," and a single entity shall be referred to individually as a "Party."



LIST OF ATTACHMENTS

ATTACHMENT A: SETTLEMENT SCHEDULES

ATTACHMENT B: DEPRECIATION SCHEDULES

ATTACHMENT C: LIBERTY BELLA VISTA CURTAILMENT PLAN

ATTACHMENT D: LIBERTY BELLA VISTA CROSS-CONNECTION OR BACKFLOW TARIFF

1 RECITALS.

1.1 The Parties.

- 1.1.1 Liberty Utilities (Bella Vista Water) Corp. ("Liberty Bella Vista") is an Arizona public service corporation providing water utility service to approximately 8,133 residential customers, 1,035 commercial customers, and 189 fire protection customers in portions of Cochise County, Arizona, under a certificate of convenience and necessity issued by the Commission.
- 1.1.2 Liberty Utilities (Rio Rico Water & Sewer) Corp. ("Liberty Rio Rico") is an Arizona public service corporation providing utility service to approximately 6,404 water and 2,046 sewer connections in portions of Santa Cruz County, Arizona, under a certificate of convenience and necessity issued by the Commission. Liberty Bella Vista and Liberty Rio Rico are collectively referred to herein as "Liberty BV/RR."
- 1.1.3 The Residential Utility Consumer Office ("RUCO") was established by the Arizona legislature to represent the interests of residential utility ratepayers in rate-related proceedings before the Commission.
- 1.1.4 The Arizona Corporation Commission Utilities Division ("Staff") is a division of the Commission that participates in rate cases to assist the Commission in its consideration of the evidence and determination of fair value rate base and setting of rates for utility service by public service corporations.
- 1.1.5 Western Infrastructure Sustainability Effort ("WISE") is an Arizona corporation dedicated to working in various Western regulatory arenas in order to incentivize private investment needed to meet critical infrastructure needs in the water, sewer, and natural gas industries.

1.2 Background.

- 1.2.1 Liberty Bella Vista and Liberty Rio Rico each filed a rate application with the Commission on October 28, 2015. Liberty Bella Vista and Liberty Rio Rico filed financing applications with the Commission on November 2, 2015. All four applications were consolidated giving rise to these Consolidated Dockets. RUCO was granted intervention on December 24, 2015. WISE was granted intervention on May 17, 2016.
- 1.2.2 The Parties are all parties that have participated in discovery and the filing of pre-filed testimony in the Consolidated Dockets. Santa Cruz Unified School District #35 filed a motion to intervene on March 26, 2016, which was granted on May 17,

2016, but Santa Cruz Unified School District #35 subsequently moved to withdraw its intervention on June 8, 2016, which was granted on July 11, 2016.

1.3 Nature of Comprehensive Settlement.

- 1.3.1 Staff filed a notice of settlement on July 19, 2016. Staff, RUCO and Liberty BV/RR subsequently held settlement discussions on July 25, 2016. WISE was not available to participate in those settlement discussions but was kept informed by the Parties of the progress.
- 1.3.2 The settlement discussions were open, transparent, and inclusive of all parties to this docket who desired to participate.
- 1.3.3 This Comprehensive Settlement reflects the Parties' agreement and intent to settle and compromise all claims and issues in the Consolidated Dockets, including the determination of fair value rate base, establishment of a revenue requirement, and resolution of disputed issues over corporate cost allocations and methodologies, incentive pay, wage increases and the setting of rates for water utility service by Liberty Bella Vista and water and sewer utility service by Liberty Rio Rico. The Parties also settle all disputes relating to indirect overheads charged to capital projects and the collection of past amounts related to the low income tariff.
- 1.3.4 The Parties believe that this Comprehensive Settlement is in the public interest and that the terms and conditions are fair, just and reasonable. The Parties request an order from the Commission, as soon as possible: (i) finding that the terms and conditions of this Comprehensive Settlement are just and reasonable; (ii) concluding that the Comprehensive Settlement is in the public interest; (iii) approving the Comprehensive Settlement in its entirety; and (iv) making any and all other findings and orders in support of this Comprehensive Settlement that the Commission deems necessary.

2 SPECIFIC RATEMAKING TERMS AND CONDITIONS.

2.1 Revenue Requirements. The Parties agree to a total revenue requirement of \$5,569,296.00 for Liberty Bella Vista, which results in an increase in revenues equal to \$958,954 over test year revenues, an increase of 20.80 percent. The Parties also agree to total a revenue requirement of \$3,886,431.00 for Liberty Rio Rico's water division, which revenue requirement results in an increase in revenues equal to \$814,262.00 over test year revenues, an increase of 26.50 percent. The Parties also agree to a total revenue requirement of \$1,640,590.00 for Liberty Rio Rico's sewer division, which revenue requirement results in an increase in revenues equal to \$162,266.00 over test year revenues, an increase of 10.98 percent.

- 2.2 Fair Value Rate Bases. The Parties agree to a Fair Value Rate Base ("FVRB") equal to \$11,633,206 as shown on Settlement Schedule B-1 for Liberty Bella Vista. The Parties also agree to FVRB equal to \$10,454,760 for Liberty Rio Rico's water division as shown on Settlement Schedule B-1; and FVRB equal to \$5,279,632 for Liberty Rio Rico's sewer division as shown on Settlement Schedule B-1. The Parties agree to use original cost rate base as FVRB in this rate case. The Parties determined the proposed FVRB in this rate case by agreeing to the following items in order to resolve issues in dispute.
- 2.2.1 **Post Test Year Plant.** All in service, used and useful post-test year plant proposed by Liberty BV/RR for rate base treatment has been included in rate base.
- 2.2.2 Corporate Plant. Corporate plant represents the allocated portion of plant owned by Liberty Bella Vista's and Liberty Rio Rico's corporate parent entities and used and required to be used in providing service to customers. As set forth below in §3 of this Comprehensive Settlement, Staff and RUCO have reviewed the allocation methodology for these corporate plant costs and agree that these investments are reasonable, and should be recognized as rate base components for Liberty Bella Vista and Liberty Rio Rico in this rate case. The corporate plant for Liberty Bella Vista is \$467,417, \$320,224 for Liberty Rio Rico water and \$97,868 for Liberty Rio Rico sewer as shown on Settlement Schedule B-2, page 3.
- 2.2.3 Indirect Overhead (INDOH). The Parties have agreed to inclusion of capitalized indirect overhead (INDOH) for (1) Liberty Bella Vista of \$666,727, (2) Liberty Rio Rico water of \$326,264 and (3) Liberty Rio Rico sewer of \$67,219. The Parties further agree to the allocation methodologies of Liberty Utilities relating to INDOH in §3 of this Comprehensive Settlement below, along with a requirement for Liberty BV/RR to conduct a time study relating to the INDOH percentages.
- 2.2.4 Plant in Service. The plant in service ("PIS") balances of \$37,589,741 for Liberty Bella Vista, \$38,554,845 for Liberty Rio Rico water, and \$14,171,387 for Liberty Rio Rico sewer and the accumulated depreciation ("A/D") balances of \$14,446,153 for Liberty Bella Vista, \$16,404,740 for Liberty Rio Rico water, and \$5,908,976 for Liberty Rio Rico sewer reflect the reclassification of plant items and other adjustments/corrections to PIS and A/D as necessary to reconcile the positions of Liberty BV/RR, Staff and RUCO. These adjustments are detailed on Settlement Schedules B-2, page 3 and summarized on Settlement Schedules B-1. The Parties agree that the PIS and A/D balances identify all of Liberty BV/RR's properly classified as PIS and related A/D.

- 2.2.5 Advances-in-aid of Construction and Contributions-in-aid of Construction. The advances in aid of construction ("AIAC") balances of \$8,595,621 for Liberty Bella Vista, \$976,558 for Liberty Rio Rico water, and \$529,379 for Liberty Rio Rico sewer, contributions in aid of construction ("CIAC") balances of \$1,080,442 for Liberty Bella Vista, \$20,261,911 for Liberty Rio Rico water, and \$5,112,247 for Liberty Rio Rico sewer, and accumulated amortization ("AA") balances of \$337,990 for Liberty Bella Vista, \$10,380,413 for Liberty Rio Rico water, and \$2,943,275 for Liberty Rio Rico sewer reflect corrections and adjustments such that the Parties agree that the resulting AIAC, CIAC, and AA balances shown in Settlement Schedules B-1 (Liberty Bella Vista), B-1 (Liberty Rio Rico water) and B-1 (Liberty Rio Rico sewer), identify all of Liberty BV/RR's properly classified AIAC, CIAC and related accumulated amortization.
- 2.2.6 Accumulated Deferred Income Taxes. The Accumulated Deferred Income Tax ("ADIT") balances of \$1,834,086 for Liberty Bella Vista, \$545,895 for Liberty Rio Rico water, and \$276,483 for Liberty Rio Rico sewer reflect the final Comprehensive Settlement PIS, A/D, AIAC, CIAC, AA balances for Liberty Bella Vista and Liberty Rio Rico's water and sewer divisions, respectively. ADITs are detailed on Settlement Schedules B-2, pages 7.0 and 7.1 (Liberty Bella Vista), B-2, pages 7.0 and 7.1 (Liberty Rio Rico water) and B-2, pages 7.0 and 7.1 (Liberty Rio Rico sewer). The Parties agree that the resulting ADITs balance shown in Settlement Schedules B-1 (Liberty Bella Vista), B-1 (Liberty Rio Rico water) and B-1 (Liberty Rio Rico sewer) properly reflect the Comprehensive Settlement PIS, A/D, AIAC, CIAC, and accumulated amortization.
- 2.2.7 Cash Working Capital. The Parties agree to the cash working capital allowances equal to \$83,155 for Liberty Bella Vista, \$39,133 for Liberty Rio Rico water, and \$(8,688) for Liberty Rio Rico sewer as shown in Settlement Schedules B-1 (Liberty Bella Vista), B-1 (Liberty Rio Rico water) and B-1(Liberty Rio Rico sewer). The cash working capital allowance computations are detailed on Settlement Schedules B-5, page 1 (Liberty Bella Vista), B-5, page 5 (Liberty Rio Rico water) and B-5, page 5 (Liberty Rio Rico sewer) and were determined using agreed upon lag days and exclusive of rate case expense.
- 2.3 Operating Expenses. The Parties agree to adjusted test year operating expenses equal to \$4,305,484 for Liberty Bella Vista, \$2,766,399 for Liberty Rio Rico water, and \$1,170,815 for Liberty Rio Rico sewer as shown in Settlement Schedules C-1, page 1 (Liberty Bella Vista), C-1, page 1 (Liberty Rio Rico water) and C-1, page 1 (Liberty Rio Rico sewer). The Parties determined the proposed operating expenses by agreeing to the following items in order to resolve issues in dispute:
- 2.3.1 **Depreciation Expense.** The Parties agree to depreciation expenses equal to \$1,171,452 for Liberty Bella Vista, \$630,848 for Liberty Rio Rico water,

and \$296,551 for Liberty Rio Rico sewer as detailed in Settlement Schedules C-2, page 2 (Liberty Bella Vista), C-2, page 2 (Liberty Rio Rico water) and C-2, page 2 (Liberty Rio Rico sewer), and summarized on Settlement Schedules C-1, page 1 (Liberty Bella Vista), C-1, page 1 (Liberty Rio Rico water) and C-1, page 1 (Liberty Rio Rico sewer), with the fully depreciated plant amounts determined using the Vintage Group method and Staff's typical and customary depreciation rates. The Parties agree that use of Staff's typical and customary depreciation rates is reasonable and appropriate. The applicable Depreciation Schedules are set forth in Attachment B.

- 2.3.2 Contract Services Professional. The Parties acknowledge and agree to Contract Services - Professional expense levels of \$1,021,201 for Liberty Bella Vista, \$685,534 for Liberty Rio Rico water, and \$208,791 for Liberty Rio Rico sewer as shown in Settlement Schedules C-1, page 1 (Liberty Bella Vista), C-1, page 1 (Liberty Rio Rico water) and C-1, page 1 (Liberty Rio Rico sewer). Liberty BV/RR's allocated shares of the shared services cost pool are included in each company's Income Statement under Contract Services - Professional. In determining this level of expense (a) remove 100 percent of the associated rent expense from Liberty BV/RR's allocated share of the shared services cost pool; (b) reduce the total amount of bonuses, long-term incentive programs (LTIPs) and stock options in the APUC/Liberty Utilities Canada cost pool by 10 percent from Liberty BV/RR's allocated share of the shared services cost pool; and (c) reduce the amount of the remaining expenses included in Staff's adjustments (see Attachment 3 to pre-filed surrebuttal testimony of T. Hunsaker dated July 21, 2016, Staff's Removal of APUC, LUC and LUCC and LUC-LABS Expenses from Cost Pool (July 12, 2016)) to the Liberty Utilities Canada percentage of the cost pool by 10 percent from Liberty BV/RR allocated share of the shared services cost pool. The Parties understand and agree that the agreement between the Parties relating to the amount of bonuses, LTIPs and stock options in the shared services cost pool in this case does not bind any Party in any future proceeding relating to the reasonable level of those specific cost items.
- 2.3.3 Salary and Wage Increases. The Parties have agreed to include known and measurable 2015 and 2016 pay increases for Liberty Utilities Service Corp. employees that work in Arizona and provide labor and services to Liberty BV/RR, Liberty Utilities (Litchfield Park Water & Sewer) Corp. ("Liberty Litchfield Park"), Liberty Utilities (Gold Canyon Sewer) Corp. ("Liberty Gold Canyon"), Liberty Utilities (Entrada Del Oro Sewer) Corp. ("Liberty Entrada Del Oro"), and Liberty Utilities (Black Mountain Sewer) Corp. ("Liberty Black Mountain"). Liberty BV/RR's allocated shares of the shared services of the salaries and wages allocated by Liberty Utilities Service Corp. and Liberty Utilities (Sub) Corp. ("Sub Corp.") are included in each company's Income Statement under Contract Services Other.

- 2.3.4 Incentive Pay. The Parties have agreed to recognize 90 percent of the test year performance based compensation and incentive pay paid to employees of Liberty Utilities Service Corp. and who provide labor and services to Liberty BV/RR and the other Arizona and Texas utilities owned and operated by Liberty Utilities. For this case, the Parties recognize incentive pay of \$528,702, which represents 90 percent of the test year performance based compensation paid to Liberty Utilities Service Corp. employees providing labor and services to Liberty BV/RR. The Parties recognize the agreed amounts of incentive pay as a necessary and reasonable operating expense for Liberty BV/RR and the other Arizona and Texas utilities owned and operated by Liberty Utilities.
- 2.3.5 Declining Usage and Usage Normalization Adjustment. The Parties agree that a declining usage and usage normalization adjustment is appropriate for Liberty Bella Vista and for Liberty Rio Rico's water division in order to account for changes in water usage due to the use of inverted block rate designs to promote water conservation. For purpose of this Comprehensive Settlement, the Parties agree to adopt Liberty BV/RR's proposed declining usage adjustment at 2/3 (66.66%) of the level proposed in Liberty BV/RR's rebuttal filing and Liberty's BV/RR's proposed usage normalization. These adjustments are shown in Settlement Schedule C-2, page 5 for Liberty Bella Vista and C-2, page 5 for Liberty Rio Rico water.
- 2.4 Low Income Tariff. The Parties agree that Liberty Bella Vista shall be entitled to recover uncollected amounts under the Company's approved low income tariff program, the balance of which as of the date of this Comprehensive Settlement is \$11,956.08. The Parties further agree that Liberty Rio Rico shall be entitled to recover uncollected amounts under the Company's approved low income tariff program, the balance of which as of the date of this Comprehensive Settlement is \$78,627.78 (both water and sewer). The Parties agree that Liberty Bella Vista and Liberty Rio Rico will recover those amounts using a surcharge over a period of three (3) years without recovery of interest. Liberty Bella Vista and Liberty Rio Rico shall file a low income tariff surcharge in accordance with this Comprehensive Settlement and prior Commission decisions with the Commission for approval within 60 days of the final decision in this rate case.

2.5 Cost of Capital.

2.5.1 Capital Structure. The Parties agree to a capital structure consisting of 70 percent equity and 30 percent debt for Liberty BV/RR, which capital structure assumes Commission approval of the Finance Application as discussed in Section 4.2 below.

- 2.5.2 Cost of Debt. The Parties agree on a cost of debt for Liberty BV/RR equal to 3.10 percent for the purpose of setting rates in this rate case. The Parties acknowledge that under the financing approval requested and agreed to herein, future debt offerings may be at different costs of debt.
- 2.5.3 Cost of Equity. The Parties agree to a cost of equity equal to 9.7 percent for Liberty BV/RR, which amount was agreed to through negotiation and compromise.
- 2.5.4 Rate of Return. Using the capital structure and costs of debt and equity agreed to herein, the Parties agree to a rate of return of 7.72 percent on Liberty Bella Vista's FVRB, 7.72 percent on Liberty Rio Rico water's FVRB and 7.72 percent on Liberty Rio Rico sewer's FVRB.
- 2.6 Revenue Requirements Determined for Settlement Purposes. The provisions set forth herein regarding the quantification of FVRB, fair value rate of return and the revenue requirement, are made for purposes of settlement only and should not be construed as admissions against interest or waivers of litigation positions related to other or future cases except as otherwise provided for in this Comprehensive Settlement.

2.7 Rate Design.

- 2.7.1 Liberty Bella Vista. The Parties agree to the rates shown in Settlement Schedule H-3, page 1 for Liberty Bella Vista and request that the Commission approve said rates for water utility service by the Company. The bill impacts under the Parties' proposed rates are shown on Settlement Schedule H-2, page 1 (Liberty Bella Vista).
- 2.7.2 **Liberty Rio Rico Water.** The Parties agree to the rates shown in Settlement Schedule H-3, page 1 for Liberty Rio Rico water and request that the Commission approve said rates for water utility service by the Company. The bill impacts under the Parties' proposed rates are shown on Settlement Schedule H-2, page 1 (Liberty Rio Rico water).
- 2.7.3 **Liberty Rio Rico Sewer.** The Parties agree to the rates shown in Settlement Schedule H-3, page 1 for Liberty Rio Rico sewer and request that the Commission approve said rates for sewer utility service by the Company. The bill impacts under the Parties' proposed rates are shown on Settlement Schedule H-2, page 1 (Liberty Rio Rico sewer).

- 2.7.4 Reconnection Costs Liberty Rio Rico Sewer. The Parties agree that Liberty Rio Rico sewer's charge for disconnection and reconnection of sewer service for non-payment shall be equal to the actual cost of disconnection and reconnection, including costs for excavation and trenching, pipeline modification, backfill and grading, road repairs and permitting. Liberty Rio Rico agrees that there will no charge for reconnection if there is no actual work performed. Liberty Rio Rico will provide the customer with invoices for the actual costs incurred to disconnect and reconnect sewer service for non-payment.
- 2.7.5 Purchased Power Adjustment Mechanism (PPAM). The Parties agree that the PPAM proposed by Liberty BV/RR is reasonable and should be approved.
- 2.7.6 Property Tax Adjustment Mechanism (PTAM). Liberty BV/RR has agreed to withdraw the requested PTAM as part of the compromise terms of this settlement.

3 COST ALLOCATION MANUAL AND METHODOLOGIES.

- 3.1 With respect to shared services, cost allocations, allocated corporate plant, and INDOH, the Parties agree to the following terms and conditions related to the allocation methodologies used by Liberty Utilities that apply to Liberty BV/RR, Liberty Litchfield Park, Liberty Entrada Del Oro, Liberty Gold Canyon, and Liberty Black Mountain in future dockets and proceedings before the Commission, subject to the terms and conditions set forth herein.
- 3.2 Consistent with the commitments in the 2015 APUC Cost Allocation Manual ("CAM") (dated July 1, 2015) and subject to the Parties' agreements set forth herein relating to the cost allocation methodologies and factors used under the CAM the Parties acknowledge that Staff and RUCO retain the right, with respect to all paragraph discussions below, to verify the costs actually incurred by any Liberty Utilities entity, and to make independent cost recommendations regarding the recoverability of specifically incurred costs based on such analysis of the costs actually incurred. Liberty BV/RR agree to comply with the audit provisions set forth in the Section E of the NARUC Guidelines on Cost Allocations attached to the CAM. Upon request by the Commission, Liberty BV/RR further agree to perform an attestation engagement as set forth in Exhibit E of the NARUC Guidelines on Cost Allocations subject to agreement between Liberty BV/RR and Staff on recovery of the costs for such attestation engagement.
- 3.3 With respect to the APUC, Liberty Utilities Service Corp. ("LUSC") and Liberty Utilities Canada corporate cost allocations, the Parties further acknowledge and agree as follows.

- 3.3.1 Liberty Utilities' use of a shared services arrangement as set forth in the CAM to operate Liberty Bella Vista, Liberty Rio Rico, Liberty Black Mountain, Liberty Entrada Del Oro, Liberty Gold Canyon, Liberty Litchfield Park, and any other water and sewer utility that may be acquired by Liberty Utilities in Arizona, is reasonable. Subject to the terms and conditions set forth herein, including Staff's and RUCO's right to verify costs actually incurred and allocated, Staff and RUCO specifically accept the allocation methodologies set forth in the 2015 CAM for Liberty BV/RR, Liberty Litchfield Park, Liberty Entrada Del Oro, Liberty Gold Canyon, and Liberty Black Mountain.
- 3.3.2 The nine categories of expenses provided by APUC, Liberty Utilities Canada and LUSC and allocated to Liberty Bella Vista, Liberty Rio Rico, Liberty Black Mountain, Liberty Entrada Del Oro, Liberty Gold Canyon, and Liberty Litchfield Park under the guidelines contained in the CAM are necessary in providing service to customers of the Liberty Utilities Arizona and Texas utilities, and the current cost allocation methodologies that form the cost allocation hierarchy found within the CAM are reasonable. These nine categories of expenses include (1) Legal Costs, (2) Tax Services, (3) Audit, (4) Investor Relations, (5) Director Fees and Insurance, (6) Licenses, Fees and Permits, (7) Escrow and Transfer Agent Fees, (8) Other Professional Services and (9) Office Administration (including executive compensation). The Parties recognize that the actual nomenclature used to categorize the above noted costs may be subject to change in the future.
- 3.3.3 Customers of Liberty Bella Vista, Liberty Rio Rico, Liberty Black Mountain, Liberty Entrada Del Oro, Liberty Gold Canyon, Liberty Litchfield Park, and any other water and sewer utility that may be acquired by Liberty Utilities in Arizona benefit from each entity's access to capital through their ultimate parent entity, APUC, which is publicly traded on the Toronto Stock Exchange ("TSX"), and that capital from the TSX would not be available to those entities if APUC and Liberty Utilities Canada did not incur the corporate costs reasonably related to capital market access.
- 3.3.4 The cost allocation methodologies set forth in the CAM and used in connection with the APUC/Liberty Utilities shared services model are reasonable and acceptable because (i) direct charges are charged to the extent possible; (ii) indirect charges are allocated to regulated utilities in accordance with the CAM; (iii) the methodologies set forth in the CAM are a reasonable means of allocating the shared costs from APUC, Liberty Utilities Canada and LUSC; and (iv) the CAM is compliant with the NARUC Cost Allocation Guidelines.
- 3.3.5 Subject to the cost-recovery limitations covered in other sections of this Comprehensive Settlement, the CAM and the allocation of costs under the

methodologies set forth in the CAM to Liberty Bella Vista and Liberty Rio Rico result in a reasonable level of allocated costs for those utilities in this rate case.

- 3.3.6 In the event that Liberty Utilities makes any changes to the CAM, or to the allocation methodologies set forth in the CAM, the Parties' agreement to the terms and conditions set forth herein shall not preclude any Party from contesting such changes to the CAM or allocation methodologies set forth in the CAM in a future rate case for Liberty Bella Vista, Liberty Rio Rico or another Liberty Utilities affiliate.
- 3.4 The Parties agree that it is appropriate to capitalize a portion of the incurred costs allocated by APUC and Liberty Utilities Canada and to record those capitalized costs as Indirect Overhead or INDOH for the Arizona and Texas utilities owned and operated by Liberty Utilities. The Parties agree that 21 percent capitalization of allowed costs is appropriate and acceptable for the pending Liberty Utilities rate cases and the upcoming rate case for Liberty Litchfield Park.
- 3.5 In order to assure that the capitalized percentage of incurred costs continues to be reasonable, Liberty Utilities agrees to conduct periodic time studies, as stated in the NARUC Uniform System of Accounts. The next time study shall be completed before the Liberty Utilities' next rate case filing, excluding the anticipated rate case for Liberty Litchfield Park, which is expected to be docketed in the first quarter of 2017. The Parties understand and agree that a time study is not necessary to support the 21 percent capitalization of APUC and Liberty Utilities Canada allowed corporate costs in the Liberty Litchfield Park rate case anticipated in the first quarter of 2017 and the pending rate case for Liberty Entrada Del Oro. The Parties understand and agree that the time studies shall pertain only to services and time spent by employees of APUC and Liberty Utilities Canada as allocated to Liberty Utilities regulated entities. The employee time study should include, but not be limited to, the following:
- 3.5.1 The allocator shall be based on time reports/surveys that are (a) completed continuously or (b) completed at various times throughout the year using a random sampling technique. The time study may include a sampling of time sheets or provision of time reports/surveys for randomly selected employees in each department of APUC and/or Liberty Utilities Canada. If requested by Staff, Liberty Utilities shall provide a copy of the proposed time report/survey to Staff for review.
- 3.5.2 Time reports and information for the employees should identify the duties of the randomly selected employees, whether the work is for regulated/unregulated companies, and a reasonable approximation of the amount of time spent on each activity. The time study may involve having employees or other personnel complete time reports/surveys detailing work performed by employees of APUC and/or Liberty Utilities

Canada over randomly selected representative periods of work activity (covering not less than a full month) including time spent, and regulated vs. unregulated classification. Employee training shall be conducted to insure that all such time reports are being competed properly.

- 3.5.3 Revisions to the capitalization percentage allocator may occur as subsequent time studies are conducted, anticipated to be every two to three years. The time studies and supporting material will be made available in all Liberty Utilities rate proceedings.
- 3.5.4 The Parties agree that the level of overheads charged to a particular project must bear, or manifest, a reasonable relationship to the pre-INDOH underlying capitalized costs, and that blanket cost allocations that do not reflect a reasonable relationship to the underlying capitalized costs are not acceptable. The Parties further understand and agree that allowable INDOH is allocated to Liberty Bella Vista, Liberty Rio Rico and the other Arizona and Texas utilities based on Construction Work in Progress (CWIP) each month. The Parties agree and acknowledge that this method for allocation of INDOH is reasonable and acceptable for Liberty Bella Vista, Liberty Rico, Liberty Black Mountain, Liberty Entrada Del Oro, Liberty Gold Canyon, Liberty Litchfield Park, and any other water and sewer utility that may be acquired by Liberty Utilities in Arizona.
- 3.6 The Parties understand that the Engineering and Development Services departments of Liberty Utilities (Sub) Corp. ("Sub Corp.") provide engineering and development services for capital projects. The Parties agree and acknowledge that the services provided by those departments are reasonable and necessary to support construction activities for Liberty Bella Vista, Liberty Rio Rico and all of the Arizona utilities owned and operated by Liberty Utilities because (i) those services benefit customers by exclusively supporting capital projects; (ii) incurred costs are direct charged to specific Arizona or Texas capital projects to the extent possible; and (iii) reasonable costs not direct charged are appropriately capitalized and allocated by the Sub Corp. to the Arizona and Texas utilities through the INDOH process.
- 3.7 Corporate plant represents the allocated portion of plant owned by APUC or other affiliate companies but used and required to be used by Liberty Bella Vista and Liberty Rio Rico in providing service to customers. Staff and RUCO have reviewed and accept the allocation methodology for these corporate plant investments and agree that these investments are reasonable and should be recognized as rate base components for Liberty Bella Vista and Liberty Rio Rico in the pending rate cases.

4 MISCELLANEOUS SETTLEMENT TERMS AND CONDITIONS.

- 4.1 Fair Value Arizona Rate Making Model (FARE). Subject to the terms and conditions of this Comprehensive Settlement, Liberty BV/RR agrees to withdraw the FARE in this case without prejudice to future rate cases. The Parties understand and agree that this Comprehensive Settlement does not prevent Liberty Utilities from seeking approval of a FARE for any of its regulated utilities in Arizona in a future proceeding before the Commission.
- 4.2 **System Improvement Benefits Mechanism (SIB).** The Parties expressly acknowledge and agree that in the event the Arizona Supreme Court reinstates the SIB mechanism in the pending appellate proceedings, Liberty BV/RR may seek approval of a SIB. Staff and RUCO shall not oppose Liberty BV/RR's application for a SIB, or approval of a SIB mechanism, provided that Liberty BV/RR submit the required study and provide documentation that the project(s) meet the criteria for a SIB. Staff and RUCO shall have the right to review, analyze and oppose the proposed costs and project(s) and any other terms of the SIB proposed by Liberty BV/RR. Liberty BV/RR shall make a SIB filing with the Commission within one (1) year of any decision by the Arizona courts reinstating the SIB mechanism as valid and legal.
- 4.3 Finance Application. The Parties agree that the terms and conditions of Liberty BV/RR's proposed financing are reasonable, including the manner of determining the cost of debt, and that the requested financing should be approved by the Commission.
- 4.4 Engineering Recommendations. The Parties agree to the following engineering recommendations:
- 4.4.1 Liberty Bella Vista shall begin tracking, quantifying, and recording all consumed water associated with unbilled authorized consumption for removal from the water loss calculation.
- 4.4.2 Liberty Bella Vista shall monitor the Southern Sunrise water system for an additional 12-month period to prepare an updated water loss report. If the reported water loss remains above 10 percent, Liberty Bella Vista shall submit a water loss reduction report containing a detailed analysis and plan to reduce its water loss to 10 percent or less. If Liberty Bella Vista believes it is not cost effective to reduce water loss to 10 percent or less, it shall submit a detailed cost benefit analysis to support its opinion. The water loss reduction report or the detailed cost benefit analysis, whichever is submitted, shall be docketed as a compliance item within 18 months from the effective date of an order issued in this proceeding.

- 4.4.3 The updated Curtailment Tariff submitted in response to Staff Data Request No. 6, as shown in Attachment C, should be approved.
- 4.4.4 The Cross-Connection/Backflow Prevention Tariff submitted with Liberty Bella Vista's application, as shown in Attachment D, should be approved.
- 4.4.5 Liberty Bella Vista shall separate its water usage data for each system within the Bella Vista City & South, Northern Sunrise, and Southern Sunrise Water Systems going forward.
- 4.4.6 Liberty Rio Rico sewer shall provide separate wastewater descriptions and wastewater flow data for its primary wastewater system (wastewater flows to the Nogales International wastewater treatment facility) and its small wastewater system (wastewater flows to an aerobic stabilization pond) in future Commission Annual Reports, beginning with the 2016 Annual Report filed in 2017. The Parties agree that the one-time cost of compliance shall be deferred for future consideration in the next rate case.

5 COMMISSION EVALUATION OF COMPREHENSIVE SETTLEMENT.

- 5.1.1 The Parties agree to file testimony in the Consolidated Dockets supporting this Comprehensive Settlement within two (2) business days of the date the settlement is filed with the Commission, and to do all things reasonably necessary to proceed to a hearing on the Comprehensive Settlement. The Parties agree that all currently filed testimony and exhibits will not be offered for admission into the Commission's record as evidence, however, the Parties intend to offer this Comprehensive Settlement, the Settlement Schedules and testimony in support of the settlement into the evidentiary record.
- 5.1.2 The Parties recognize that Staff does not have the power to bind the Commission, and that Staff acts in the same manner as any party to a Commission proceeding. The Parties further acknowledge and agree that the determination of Liberty BV/RR's FVRBs and the setting of just and reasonable rates thereon will be made by the Commission based upon its own independent evaluation of this Comprehensive Settlement.
- 5.1.3 If the Commission fails to issue an order adopting all of the material terms of this Comprehensive Settlement, or modifies or adds material terms to this Comprehensive Settlement, any or all of the Parties may withdraw from this Comprehensive Settlement, and such Party or Parties may pursue their respective remedies at law without prejudice. For purposes of this Comprehensive Settlement, whether a term is material shall be left to the reasonable discretion of the Party choosing to withdraw from the Comprehensive Settlement. If a Party withdraws from the Comprehensive Settlement

pursuant to this Section 5.1.3 and files an application for rehearing with the Commission, the other Parties, except for Staff, shall support the application for rehearing by filing a document to that effect with the Commission.

- 5.1.4 The Parties agree that this Comprehensive Settlement will not have any binding force and effect until its material terms are adopted in an order issued by the Commission, except that this provision shall not relieve the Parties of their obligations pursuant to Section 5.1.1 of this Comprehensive Settlement.
- 5.1.5 The Parties agree to support approval of the Comprehensive Settlement and resolution of the Consolidated Dockets.

6 MISCELLANEOUS PROVISIONS.

- 6.1.1 Each Party whose signature appears below is fully authorized and empowered to execute this Comprehensive Settlement. Each Party has been represented by competent legal counsel and understands all of the terms of this Comprehensive Settlement, has had an opportunity to participate in the drafting of this Comprehensive Settlement and fully review this Comprehensive Settlement with its legal counsel before signing, and executes this Comprehensive Settlement with full knowledge of the terms of the Comprehensive Settlement.
- 6.1.2 This Comprehensive Settlement represents the Parties' mutual desire to compromise and settle in good faith all of the issues in the Consolidated Dockets in a manner consistent with the public interest. To achieve consensus for settlement, the Parties are accepting positions that, in any other circumstances, they might be unwilling to accept, unless otherwise stated in this Comprehensive Settlement. They are doing so because the Comprehensive Settlement, as a whole, with its various provisions for settling the unique issues presented by this case, is consistent with their long-term interests and the broader public interest. No Party is bound by any position asserted in negotiations, except as expressly stated in this Comprehensive Settlement. No Party shall offer evidence of conduct or statements made in the course of negotiating this Comprehensive Settlement before this Commission, any other regulatory agency, or any court.
- 6.1.3 To the extent any provision of this Comprehensive Settlement is inconsistent with any existing Commission order, rule, or regulation, this Comprehensive Settlement shall control.
- 6.1.4 Each of the terms of this Comprehensive Settlement is in consideration of all other terms of this Comprehensive Settlement. Accordingly, the terms are not severable.

- 6.1.5 The Parties shall make reasonable and good faith efforts necessary to support and defend this Comprehensive Settlement and obtain a Commission order approving its material terms and, if necessary in court if challenged by another person or entity. Subject to Section 5.1.3 above, if the Commission adopts an order approving all material terms of the Comprehensive Settlement, the Parties will support and defend the Commission's order before any court or regulatory agency in which it may be at issue. Nothing in this Section 6.1.5 shall be construed to require a Party to fund the defense of any other Party. If defense of this Comprehensive Settlement is reasonably needed in any court or other regulatory agency, then each Party shall be deemed to have satisfied its duty under this Section 6.1.5 by providing a witness to testify in such action in support of this Comprehensive Settlement, but a Party shall not be required to pay an attorney to participate in such action, or to join as a party to such action. The Parties expressly recognize, however, that Staff shall not be required to file any document or take any position that is inconsistent with a Commission order in this matter.
- 6.1.6 This Comprehensive Settlement may be executed in any number of counterparts and by each Party on separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same instrument. This Comprehensive Settlement may also be executed electronically or by facsimile.
- 6.1.7 The Recitals set forth in Section 1 of this Comprehensive Settlement are part of this Comprehensive Settlement and fully incorporated into the terms and conditions of the Parties' Comprehensive Settlement to settle as set forth in this Comprehensive Settlement.

ARIZONA CORPORATION COMMISSION U	TILITIES DIVISION
$\langle \langle \langle \langle \langle \rangle \rangle \rangle \rangle$	
By: / err / Old	
Its: HOST. PRECTOR	
Date: 07. 29. 2016	
LIBERTY UTILITIES (BELLA VISTA WATE	R) CORP.
By:	
Its:	
Date:	
LIBERTY UTILITIES (RIO RICO WATER &	SEWER) CORP.
By:	
115.	
Date:	
RESIDENTIAL UTILITY CONSUMER OFFIC	re
By:	
Its:	
Date:	
WESTERN INFRASTRUCTURE SUSTAINABI	LITY EFFORT
By: Orlo Patterson	
Its: Director	
Date: 7-85-16	

ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

By:
its:
Date:
LIBERTY UTILITIES (BELLA VISTA WATER) CORP. By: Marthan Dould Its: President Date: July 29th, 2016
LIBERTY UTILITIES (RIO RICO WATER & SEWER) CORP.
By: Matthew Doches Its: President Date: July 29th, 2016
By: Chef Charles Date: 29, 2016
3
WESTERN INFRASTRUCTURE SUSTAINABILITY EFFORT
By:
is:
Date:
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ATTACHMENT A Settlement Schedules

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Computation of Increase in Gross Revenue Requirements As Adjusted

Exhibit Settlement Schedule A-1 Page 1 Witness: Bourassa

Pair Value Rate Base \$ 11,633,206	Line									
Adjusted Operating Income Required Rate of Return Required Rate of Return on Fair Value Rate Base Requirement Requir	1	Fair Value Ra	le Base					s	11.633.206	
Current Rate of Return Current Rate of Return on Fair Value Rate Base Current Rate of Return on Fair Value Rate Base Current Rate of Return on Fair Value Rate Base Current Rate of Return on Fair Value Rate Base Current Rate of Return on Fair Value Rate Base Current Rate of Return on Fair Value Rate Base Current Rate of Return on Fair Value Rate Base Current Rate of Return on Fair Value Rate Base Current Rate of Return on Fair Value Rate Base Current Rate of Return on Fair Value Rate Base Current Rate of Return on Fair Value Rate Requirement Current Rate of Return on Fair Value Requirement Current Rate of Rate of Return on Fair Value Requirement Current Rate of Research (Corrent Revenue Requirement Current Rate of Research (Current Revenue Requirement Current Research (Current Revenue Requirement Current Research (Current Researc		Adjusted Oper	rating Income						,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Required Operating Income S 898.084										
Required Rate of Return on Fair Value Rate Base 7.72% 7.22% 7.22% 7.22% 7.22% 7.22% 7.22% 7.22% 7.22% 7.	6								2.62%	
		Required Ope	rating Income					\$	898,084	
		Required Rate	of Retum on Fair Value Rate Base						7.72%	
	11	Operating Inco	ome Deficiency					\$	593,225	
Increase in Gross Revenue Requirement Requirement Requirement S \$68,954 S \$68,954	13	Gross Revenu	e Conversion Factor						1.6165	
Requirement		Increase in Gr	oss Revenue							
Adjusted Test Year Revenue Revenue Requirement								\$	958 954	
Increase in Gross Revenue Revenue Requirement 5 958,954 Proposed Revenue Requirement 5 958,954 Proposed Revenue Requirement 5 5,569,296		Adjusted Test	Year Dawanea					_	400,007	
Proposed Revenue Requirement S 5,569,296 S 20,807 S S S S S S S S S		Increase in Gn	Tear Revenues							
Marcease		Proposed Rev	enue Requirement							
Customer Rates Rates Rates Rates Increase			- Todanomen					\$		
Classification Fire Lines Commercial									20.80%	
Classification Commercial					Present		Proposed		Dollar	Percent
5/8X3/4 Inch Residential \$2,723,332 \$3,254,277 \$530,945 19,50% 28,247 1 1 1 1 1 1 1 1 1					Rates					
28				\$	2,723,332	\$	3,254,277	5		
Subtotal					28,247		44,179			
Subtotal		1 Inch	Residential		4,815		6,024			
30			Subtotal							
32 3/4 Inch Commercial 1,347 1,561 214 15.85% 33 1 Inch Commercial 121,081 151,922 30,841 25.47% 34 1 1/2 Inch Commercial 121,081 151,922 30,841 25.47% 35 2 Inch Commercial 195,802 246,618 50,816 25.95% 35 2 Inch Commercial 1,020,829 1,259,696 238,667 23,40% 36 3 Inch Commercial 186,072 229,472 43,400 23,32% 4 Inch Commercial 77,948 96,881 16,933 24,29% 38 6 Inch Commercial 77,948 96,881 16,933 24,29% 38 8 Inch Commercial 11,067 12,790 1,723 15,57% 40 10,000 10,0	30		Gubiotai	2	2,756,394	\$	3,304,480	\$	548,086	19.88%
1,347 1,561 214 15.85%				. \$	122,357	\$	149,086	\$	26.729	21.84%
1 Inch Commercial 121,081 151,922 30,841 25,47% 172 Inch Commercial 195,802 246,618 50,816 25,95% 23,867 23,40% 23,40					1,347			•	•	
195,802 246,618 50,816 25.95% 25 1,259,696 238,867 23.40% 25.95% 25 1,259,696 238,867 23.40% 25.95% 25 25 25 25 25 25 25					121,081		151,922			
1,020,829					195,802		246,618			
186,072 229,472 43,400 23.32% 77,948 96,881 18,933 24,29% 77,948 96,881 18,933 24,29% 77,948 96,881 18,933 24,29% 77,948 96,881 18,933 24,29% 77,948 96,881 18,933 24,29% 77,948 96,881 18,933 24,29% 77,948 96,881 18,933 24,29% 77,948 96,881 18,933 24,29% 77,948 96,881 18,933 24,29% 77,948 96,881 18,933 24,29% 77,948 96,881 18,933 24,29% 77,948 96,881 18,933 24,29% 77,948 97,948 17,21% 17,21%					1.020,829		1,259,696			
10 10 10 10 10 10 10 10					186,072		229,472			
11,067 12,790 1,723 15.57% 14,704 16,605 1,901 12,93% 1,751,208 2,164,631 3 1,901 12,93% 1,751,208 3 1,751,208 3 2,164,631 3 1,901 12,93% 1,751,208 3 1,751,208 3 1,751,208 3 1,751,208 3 1,751,208 3 1,751,208 3 1,751,208 3 1,751,208 3 1,751,208 3 1,751,208 3 1,751,208 3 1,751,208 3 1,901		-					96,881		· ·	
14,704 16,605 1,901 12.93% 1,751,208 2,164,631 3 413,422 23.61% 1,901 12.93% 1,751,208 2,164,631 3 413,422 23.61% 1,901 1,					11,067		12,790		1,723	
\$ 1,751,208 \$ 2,164,631 \$ 413,422 23.61% 42 3 Inch Hydrant \$ 46,250 \$ 54,208 \$ 7,958 17.21% 43 Fire Lines 4 Inch 16,100 16,100 - 0.00% 44 Fire Lines 6 Inch 6,315 6,315 - 0.00% 45 Fire Lines 8 Inch 2,940 2,940 2,940 - 0.00% 46 Usage Normalization Adjustment (106,885) (123,974) (17,089) 15,99% 48 Revenue Annualization 41,402 50,721 9,319 22,51% 50 Subtotal \$ 4,513,725 \$ 5,475,420 \$ 961,696 21,31% 51 Other Water Revenues 94,478 94,478 - 0.00% 52 Reconciting Amount 2,139 (603) (2,742) -128,19% 53 Rounding 7 Total of Water Revenues \$ 4,610,342 \$ 5,569,295 \$ 968,05%	-	o man							1,901	12.93%
43 Fire Lines 4 Inch 44 Fire Lines 6 Inch 45 Fire Lines 8 Inch 46 Usage Normalization Adjustment 47 Usage Normalization Adjustment 48 Revenue Annualization 49 Subtotal 50 Other Water Revenues 51 Other Water Revenues 52 Reconciting Amount 53 Rounding 54 Total of Water Revenues 55 Total of Water Revenues 56 Total of Water Revenues 57 Total of Water Revenues 58 Pire Lines 4 Inch 59 (16,305	41			\$	1,751,208	\$	2.164,631	\$	413,422	
Fire Lines 4 Inch 44 Fire Lines 6 Inch 45 Fire Lines 8 Inch 46		3 Inch		\$	46,250	\$	54,208	\$	7 958	17 21%
Fire Lines 6 Inch Fire Lines 8 Inch 45 Fire Lines 8 Inch 46					16,100			•		
Fire Lines 8 Inch 2,940 2,940 - 0.00%					6,315				-	
48 Revenue Annualization 41,402 50,721 9,319 22,51% 50 \$ 4,513,725 \$ 5,475,420 \$ 961,696 21,31% 51 Other Water Revenues 94,478 94,478 - 0,00% 52 Reconciting Amount 2,139 (603) (2,742) -128,19% 53 Rounding - 0,00% - 0,00% - 0,00% - 0,00% 54 Total of Water Revenues \$ 4,610,342 \$ 5,569,295 \$ 968,954 20,80%			Fire Lines 8 Inch		2,940				-	
48 Revenue Annualization 41,402 50,721 9,319 22,51% 50 \$ 4,513,725 \$ 5,475,420 \$ 961,696 21,31% 51 Other Water Revenues 94,478 94,478 - 0,00% 52 Reconciting Amount 2,139 (603) (2,742) -128,19% 53 Rounding - 0,00% - 0,00% - 0,00% - 0,00% 54 Total of Water Revenues \$ 4,610,342 \$ 5,569,295 \$ 968,954 20,80%	47	Usage Normalia	tation Adjustment		(106 885)		(422.074)		(47.000)	
49 Subtotal \$ 4,513.725 \$ 5,475,420 \$ 961,696 21.31% 50 Other Water Revenues 94,478 94,478 - 0.00% 52 Reconciting Amount 2,139 (603) (2,742) -128.19% 53 Rounding - 0.00% 54 Total of Water Revenues \$ 4,610.342 \$ 5,569.295 \$ 968.954 20.80%	48									15.99%
51 Other Water Revenues 94,478 94,478 - 0.00% 52 Reconciting Amount 2,139 (603) (2,742) -128.19% 53 Rounding - 0.00% 54 Total of Water Revenues \$ 4,610.342 \$ 5,569.295 \$ 958.954 20.80%		Subtotal		\$		\$		Š		
52 Reconciling Amount 54,476 94,478 - 0.00% 53 Rounding 2,139 (603) (2,742) -128.196 54 Total of Water Revenues 54,610.342 \$ 5,569.295 \$ 968.054		Other Meter- D-						•	00.,000	21.5170
52 Recolling Amount 2,139 (603) (2,742) -128.19% 53 Rounding - 0.00% 54 Total of Water Revenues \$ 4,610.342 \$ 5,569.295 \$ 958.954 20.80%							94,478		•	0.00%
54 Total of Water Revenues \$ 4,610.342 \$ 5,569.295 \$ 958.954 20.80%			Ount		2,139		(603)		(2,742)	
4 7,010,044 D D,309,290 S 46X 464 20 R00/			Revenues	-	4.640.040	·	£ £60.00-			
				-	7,010,342	Þ	5,569,295	2	958,954	20.80%

SUPPORTING SCHEDULES: B-1 C-1 C-3 H-1

Liberty Utilities (Bella Vista Water) Corp.

Test Year Ended December 31, 2014 Summary of Rate Base

Exhibit

Settlement Schedule B-1

Page 1 Witness: Bourassa

Line <u>No.</u> 1		riginal Cost Rate base		Fair Value <u>Rate Base</u>
2 3 4	Gross Utility Plant in Service Less: Accumulated Depreciation	\$ 37,589,741 14,446,153	\$	37,589,741 14,446,153
5 6	Net Utility Plant in Service	\$ 23,143,588	\$	23,143,588
7	<u>Less:</u>			
8 9	Advances in Aid of Construction	8,595,621		8,595,621
10 11	Contributions in Aid of Construction	1,080,442		1,080,442
12 13	Accumulated Amortization of CIAC	(337,990)		(337,990)
14	Customer Meter Deposits	408,155		408,155
15	Custmer Security Deposits	15.077		15,077
16 17 18	Accumulated Deferred Income Tax	1,834,086		1,834,086
19 20	Plus:			
21	Deferred Regulatory Assets TCE Plume	_		
22	Prepayments	1,855		1,855
23	Materials and Supplies	-		1,000
24 25	Working capital	83,155		83,155
26 27 28	Total Rate Base	\$ 11,633,206	\$	11,633,206

SUPPORTING SCHEDULES:

B-2 B-3 B-5

Liberty Utilities (Bella Vista Water) Corp.

Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Exhibit

Settlement Schedule B-2

Page 1

Witness: Bourassa

Line <u>No.</u> 1	Gross Utility		Adjusted at end of Test Year	Proforma <u>Adjustment</u>		Settlement Adjusted at end of Test Year
2	Plant in Service	\$	37,612,452	(22,711)	\$	37,589,741
3 4	Less:					
5	Accumulated					
6	Depreciation		14,375,372	70.704		44 440 450
7	Depresianon		14,313,312	70, 7 81		14,446,153
8						
9	Net Utility Plant					
10	in Service	\$	23,237,079		\$	23,143,588
11		•	-5,207,070		Ψ	25, 145,566
12	Less:					
13	Advances in Aid of					
14	Construction		9,114,847	(519,226)		8,595,621
15				(=,==-,		0,000,021
16	Contributions in Aid of					
17	Construction - Gross		579,988	500,454		1,080,442
18						1,224,112
19	Accumulated Amortization of CIAC		(304,864)	(33,126)		(337,990)
20				• •		, , , , , , , , , , , , , , , , , , ,
21	Customer Meter Deposits		408,155	-		408,155
22	Custmer Security Deposits		15,077	-		15,077
23	Accumulated Deferred Income Tax		381,189	1,452,897		1,834,086
24						•
25						-
26 27	Plane					
28	Plus;					
20 29	Deferred Regulatery Assets					
30	Deferred Regulatory Assets Prepayments		-			-
31	Materials and Supplies		1,855			1,855
32	Working capital		460 647	(77.400)		
33	Trorking Capital		160,647	(77,492)		83,155
34						•
35	Total	<u> </u>	13,205,189			44 000 000
36		***	10,200,100		\$	11,633,206
37						
38						

43 44

45

46 <u>SUPPORTING SCHEDULES:</u> 47 B-2, pages 2

48 49

49

50 51 RECAP SCHEDULES:

B-1

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rete Base Proforma Adjustments

Exhibit Settlement Schedule B-2 Page 2 Witness: Bourassa

						Proforma	Adjustment	5				Settlement
		Adjusted	1		2	3	4		5	€		Adjusted
Line		at end of	Plant-in-		Accumulated					Cash		at end
No.		Test Year	Service		Depreciation	CIAC	AIAC		4017	Working		of
1	Gross Utility	1931 1941	SALANA		PEDITOLOGI	2 DZ			ADIT	Capital		<u>Test Year</u>
2	Plant in Service	\$ 37,812,452	(22,7	111							2	37,589,741
3		0.,212,122	(22,	•••							•	37,389,741
4	Less:											
5	Accumulated											
6	Depreciation	14,375,372			70,761							14,445,153
7	•											, -, -, 100
8									·			
9	Net Utility Plant											
10	in Service	\$ 23,237,079	\$ (22,7	11) \$	(70,781) \$		\$	- \$	-	S -	\$	23,143,588
11										•	•	2011101000
12	Less:											
13	Advances in Aid of											
14	Construction	9,114,847					(519	,226)				8,595,621
15								•				-,,·
16	Contributions in Aid of											
17	Construction (CIAC)	579,968				500,454						1.080.442
18												
19	Accumulated Amort of CIAC	(304,864)				(33,126)						(337,990)
20												,
21	Customer Meter Deposits	408,155										408,155
22	Customer Security Deposits	15,077										15,077
23	Accumulated Deferred Income Taxes	381,189							1,452,897			1,834,086
24												
25												
26	Plus:											
27	- · · · · · · ·											
28	Deferred Regulatory Assets											-
29 30	Prepayments	1,855										1,855
	Materials and Supplies											-
31 32	Allowance for Cash Working Capital	160,647								(77,492)	83,155
32 33	Total	\$ 13,205,189	A 400.7		(10.704) 4							
34	I DIG	a 13,205,189	\$ (22,7	11) \$	(70,781) \$	(467,328)	\$ 519	226 \$	(1,452,897)	\$ (77,492	<u> </u>	11,633,208
34												

34 35 36 37 38 B-2, pages 3-7 39 40

RECAP SCHEDULES: B-1

			Liberty Util Test Yes Original Cost	ilities (Betla Vista Wi iar Ended December 3 t Rate Base Proforma Adjustment Number 1	Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Originel Cost Rale Base Proforms Adjustments Adjustment Number 1					Exhibit Schedule 6-2 Page 3 Witness: Bourassa	
2				Plant-in-Service	9 1						
의 - N				∢	띠	∢i ∪i	<u>Adiustments</u> <u>D</u>	ш	щ	П	
m =	Acet		Adjusted	j		i	Plant			Adjustments to Reconcile	Settlement Adjusted
· 10 ·	오	Description	Cost	Reclass	Unsupported	Plani True-uo	Addition	Refirements	Corporate	Plant to	Original
60 P-	<u>5</u> 5	Plant -in-Geryice	•					The state of the s		Necrossian Card	
. ~	88	Organization Cost Franchise Cost	98 98		1		ı	٠		ı	
Φ,	303	Land and Land Rights	688,011				. ,			,	98,989
۰.	ž,	Structures and improvements	4,294,328	(138,471)	•	(168,010)	, ,	1 1			3 087 950
- ~	8 8	Collecting and Impounding Res. I are Bluer and Other Intellet	46,813	•	,	•	•	,		9 <u>©</u>	46,813
l m	36	Wells and Springs	1 692 408	(31 527)		, 60	,	•			. 1
4	308	Infiltration Galleries and Tunnels	-	(176,16)	• •	12,000	1 1	ı			1,672,881
٠ د د	33	Supply Mains	432,050	•	,	2.180		1 1		•	434 220
9 -	310	Power Generation Equipment	195,696	19,438	•	(261)	•				214 572
~ 60	320	Electric Pumping Equipment Water Treatment Environment	3,195,256	48,442	(1,424)	56,335	•	(36, 183)			3,261,426
on.	320 1	Water Treatment Plant	*	62 653	, ,	. 9		•		9	0
۰.	320.2	Chemical Solution Feeders	•	55,021	•	429	٠ ،				63,317
- r	330	Dist. Reservoirs & Standpipe	3,195,343	(3, 195, 343)	•					. €	00*
	330.2	Pressure Tenks	. ,	2,706,221	ı	€	ı			,	2,706,220
_	331	Trens. and Dist. Mains	14,654,450	129,696		31.358	17 324)	, ,			461,546
NO #	8	Services	2,173,490	•	•	50,209	1	,		• 1	14,815,503 2,223,800
n 1~	3 8	Meiers	1,959,945		•	(80,890)	(143,229)	143,229		1	1,899,055
œ	336	Backflow Prevention Devices	20,151,1	. ,		975.	,			•	1,152,335
m ·	339	Other Plant and Misc. Equip.	189,235		•	•	, ,			• •	180 224
" ~ ~	¥ \$	Office Fumiting and Fixtures	281,034	(113,318)	,	(2,643)	1	1			165.073
. ~		Transportation Equipment	510.002	112,920		2,605					281,527
•	꾫	Stores Equipment		• •	• 1	907'90		1			567,771
.	2	Tools and Work Equipment	314,385	396	ı	5,395		. ,			320 430
^ "		Laboratory Equipment	3,285	,	•	. '		•		•	3.285
		Communications Fouriers	052,101	,		37	•	•		•	101,287
~		Miscellaneous Equipment	562.722	(442 442)		3,490	ı	,		•	895,829
e) .	_	Miscellaneous Equipment - CNG Plant		442,442		8,141	, ,	. ,		•	220,280
	X	Other Tangible Plant	155,378				-			,	155.378
		SUBICIAL	37,180,603	•	(1.424)	(20,676)	(144,553)	108,371		3	37,122,324
	206	Land and Land Rights	20,738						(A5A)		700 00
		Structures and Improvments	225,069						(4,793)		220.288
	_	Office Furniture and Fixtures Computers and Software	24,473						6,296		30,770
•			431,849						34,518		198,098
						•			996,00	,	467,417
		OIALS	\$ 37,612,452 \$	\$	(1,424) \$	(20,676)	(20,676) \$ (144,553) \$ 108,371	108,371 \$	35,568	\$ 3 5	37,589,741
ī		Plant-in-Service per Books								**	37,612,452
₹	Yease	increase (decrease) in Plant-in-Service								•	300
4		Adjustment to Dine in Contract								•	(22,(11)
Į.	3656	וסוו זט רופותייון בשוואה								**	(22,711)

RECAP SCHEDULES: 8-2, page 2

SUPPORTING SCHEDULES 8-2, pages 3.1 to 3.7

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - A

Exhibit Settlement Schedule B-2 Page 3.1 Witness: Bourassa

Line											
No.											
1	Plant B	Reclass									
2											
3											
4	Acct.								320/330		
5	No.	Description	<u>2009</u>	<u> 2010</u>	2011	2012	2013	2014	Reclass	<u>PTY</u>	Total
6	301	Organization Cost	\$ -	\$ -	\$ -	\$ -	s -	5		\$	\$
7	302	Franchise Cost									-
8	303	Land and Land Rights									•
9	304	Structures and Improvements	(102,118)		(17,170)					(19,183)	(138,471)
10	305	Collecting and Impounding Res.									
11	306	Lake River and Other Intakes									•
12	307	Wells and Springs		(48,697)	17,170						(31,527)
13	308	Infiltration Galleries and Tunnels									
14	309	Supply Mains									-
15	310	Power Generation Equipment								19,438	19,438
16	311	Electric Pumping Equipment		48,697						(255)	48,442
17	320	Water Treatment Equipment				(14,351)	(16,671)	(4,217)	(76,559)	(5,876)	(117,674)
18	320.1	***************************************							62,653		62,653
19	320.2					14,351	16,671	4,217	13,906	5,876	55,021
20	330	Dist. Reservoirs & Standpipe	(19,941)	(108,787)	(2,051)			(426,848)	(2,637,716)		(3, 195, 343)
21	330.1		105,068					424,771	2,176,382		2,706,221
22		Pressure Tanks			211				461,335		461,546
23	331	Trans. and Dist. Mains	16,991	108,787	1,840			2,077			129,696
24	333	Services									-
25	334	Meters									•
26	335	Hydrants									-
27	336	Backflow Prevention Devices									-
28	339	Other Plant and Misc. Equip.									-
29	340	Office Furniture and Fixtures				(75,068)	(37,996)	(254)			(113,318)
30	340.1					75,068	37,996	254		(398)	112,920
31	341	Transportation Equipment									•
32 33	342	Stores Equipment									-
	343	Tools and Work Equipment								398	398
34 35	344 345	Laboratory Equipment									-
36	345	Power Operated Equipment Communications Equipment									•
36 37	347										-
38		Miscellaneous Equipment - CNG Plant								(442,442)	(442,442)
39	348	Other Tangible Plant								442,442	442,442
40	340	Other (angible Plant									-
41		TOTALS			-				· · · · · · · · · · · · · · · · · · ·		
		TOTALS	5 -	\$ -	\$ (0)	<u> </u>	\$	\$ 0	\$ 1	\$.	1
42 43											
	er ibeo	PTING POHEDULE									
		RTING SCHEDULE					RECAP SCHE	DULES:			
45 46	Work p	aher a				ļ	B-2, page 3				
70											

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - B

Exhibit Settlement Schedule B-2 Page 3.2 Witness: Bourassa

<u>No.</u> 1		and St.									
1	Unsup										
		ported Plant									
2											
3											
4	Acct.										
5	No.	Description	2009	2010	2011	<u>2012</u>	2013	2014	PTY		Total
6	301	Organization Cost	\$ -	\$ -	\$ -	\$ -	\$ -	s	5 -	\$	-
7	302								•	•	_
8	303	man the state of t									-
9	304										-
10	305										-
11		Lake River and Other Intakes									_
12	307										-
13	308	The second Days (100 City 10111100)									-
14 15	309										-
15	310	Power Generation Equipment									-
17	320			(1,42	4)						(1,424)
18		Water Treatment Equipment Water Treatment Plant									-
19		Chemical Solution Feeders									•
20	330	Dist. Reservoirs & Standpipe									+
21		Storage lanks									-
22		Pressure Tanks									•
23	331	Trans. and Dist. Mains									-
24	333										-
25		Meters									•
26		Hydrants									-
27		Backflow Prevention Devices									-
28		Other Plant and Misc. Equip.									-
29		Office Furniture and Fixtures									-
30		Computers and Software									-
31	341	Transportation Equipment									-
32		Stores Equipment									-
33		Tools and Work Equipment									-
34	344	Laboratory Equipment									-
35	345	Power Operated Equipment									-
36	346	Communications Equipment									-
37	347	Miscellaneous Equipment									•
38	347.1	Miscellaneous Equipment - CNG Plant									•
39	348	Other Tangible Plant									-
40					-						•
41		TOTALS	\$ -	\$ (1,424	\$ -	\$ -	\$ -	S -		\$	(1,424)
42									~		(1,727)
43											
	SUPPO	RTING SCHEDULE					RECAP SO	HEDULES:			
45	Work pa	apers					B-2, page 3				
46							.,				

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rale Base Proforma Adjustments Adjustment Number 1 - C

Line

Exhibit Settlement Schedule 8-2 Page 3.3 Witness: Bourassa

45 46	Work pa	pers									B-2, page 3			
44 45		RTING SCHEDULE									RECAP SC	HEDULES:		
43													-	120,0,0)
41 42		TOTALS	\$		\$		\$	_	\$		\$ -	\$ (224,395)	203,719 \$	(20,676)
40 41		TOTALO										=	•	-
39	348	Other Tangible Plant										•	B,141	8,141
38	347.1	Miscellaneous Equipment - CNG Plant										•	5444	· · ·
37	347	Miscellaneous Equipment										627	2,863	3,490
36	346	Communications Equipment											37	37
35	345	Power Operated Equipment										-	•	•
34	344	Laboratory Equipment										1	5,395	5,395
33	343	Tools and Work Equipment										•		
32	342	Stores Equipment										38,258	-	38,258
31	341	Transportation Equipment										469	2,137	2,605
30	340.1	Office Furniture and Fixtures Computers and Software										(506)	(2,137)	(2,643)
28 29	339	Other Plant and Misc. Equip.											•	-
27	336 339	Backflow Prevention Devices											1,020	1,328
26 27	335	Hydrants										(100,149)	1,328	1,328
25	334	Meters										(100,149)	39,259	(60,890)
24	333	Services										(2,148)	52,357	31,358 50,209
23	331	Trans. and Dist. Mains										1,281	30,077	24 255
22	330.2	Pressure Tanks										(1)	-	(1)
21	330.1	Storage tanks										(1)	-	-
20	330	Dist. Reservoirs & Standpipe										-	429	429
19	320.2	Chemical Solution Feeders										(114)	777	664
18	320.1	Water Treatment Plant											<u>.</u>	-
17	320	Water Treatment Equipment										(131)	55, 466	55,335
16	311	Electric Pumping Equipment										-	(561)	(561)
15	310	Power Generation Equipment										2,180	-	2,180
14	309	Infiltration Galleries and Tunnels Supply Mains										-	-	-,-50
13	307	Wells and Springs										(291)	12,291	12,000
11 12	306 307	Lake River and Other Intakes										-	-	
10	305	Collecting and Impounding Res.										(100,011)	(7, 140)	(100,010)
9	304	Structures and Improvements										(163,871)	(4,140)	(168,010)
8	303	Land and Land Rights										•	-	•
7	302	Franchise Cost			•		•		•		• •	.	5 - \$	i -
6	301	Organization Cost	5		s		\$	****	\$	2012	2013 S	<u>2014</u> S	<u>PTY</u>	<u>Total</u>
5	No.	<u>Description</u>		2009		2010		2011		2012	2049	2014	DT) (
4	Acct.													
3														
2		144 08												
1		rue-Up												
No														

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - D

Exhibit Settlement Schedule B-2 Page 3.4 Witness: Bourassa

Line <u>No.</u>													
1		ddition Correction											
2	<u> </u>												
3													
4 5	Acct.	Description :											
5 6	<u>No.</u> 301	Description Organization Cost	_	2009	_	<u>2010</u>		2 <u>011</u>	2	2012	<u> 2013</u>	2014	<u>Total</u>
7	302	Franchise Cost	\$	-	\$	-	\$	-	\$	-	\$ -	\$ -	\$
8	302	Land and Land Rights											-
9	304	Structures and Improvements											-
10	305	Collecting and Impounding Res.											-
11	306	Lake River and Other Intakes											-
12	307	Wells and Springs											-
13	308	Infiltration Galleries and Tunnels											-
14	309	Supply Mains											-
15	310	Power Generation Equipment											•
16	311	Electric Pumping Equipment											
17	320	Water Treatment Equipment											•
18		Water Treatment Plant											-
19	320.2	Chemical Solution Feeders											-
20	330	Dist. Reservoirs & Standpipe											-
21	330.1	Storage tanks											-
22		Pressure Tanks											-
23	331	Trans, and Dist, Mains										(1,324)	(1,324)
24	333	Services										(1,324)	(1,324)
25	334	Meters										(143,229)	(143,229)
26	335	Hydrants										(10,220)	(173,228)
27	336	Backflow Prevention Devices											_
28	339	Other Plant and Misc. Equip.											-
29	340	Office Furniture and Fixtures											_
30 31		Computers and Software											_
32	341	Transportation Equipment											
33	342 343	Stores Equipment											•
34		Tools and Work Equipment Laboratory Equipment											-
35		Power Operated Equipment											-
36	-	Communications Equipment											-
37		Miscellaneous Equipment											-
38		Miscellaneous Equipment - CNG Plant											-
39	348	Other Tangible Plant											-
40	• ••	Tanglois Fang											-
41		TOTALS	\$	 -	\$		5	- -	_				
42		-			Ψ.		ð		\$		\$ -	\$ (144,553)	(144,553)
43													
44	SUPPOF	RTING SCHEDULE									05045.66		
45 -	Work pa	pers									RECAP SCI	HEDULES:	
46											B-2, page 3		

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments

Adjustment Number 1 - E

Exhibit Settlement Sc Page 3.5 Witness: Bou

Line No.			
1 2	Retiren	nents and Retirement Corrections	
3			
4	Acct.		
5	<u>No.</u>	<u>Description</u>	Retirements
6	301	Organization Cost	Trout of the
7	302	Franchise Cost	
8	303	Land and Land Rights	
9	304	Structures and Improvements	
10 11	305 306	Collecting and Impounding Res.	
12	307	Lake River and Other Intakes Wells and Springs	
13	308	infiltration Galleries and Tunnels	
14	309	Supply Mains	
15	310	Power Generation Equipment	
16	311	Electric Pumping Equipment	(36,183)
17	320	Water Treatment Equipment	(30, 163)
18		Water Treatment Plant	
19		Chemical Solution Feeders	
20	330	Dist. Reservoirs & Standpipe	
21	330.1	Storage tanks	
22 23		Pressure Tanks	
23	331 333	Trans. and Dist. Mains Services	1,324
25	334	Meters	
26	335	Hydrants	143,229
27	336	Backflow Prevention Devices	
28	339	Other Plant and Misc. Equip.	
29	340	Office Furniture and Fixtures	
30	340.1	Computers and Software	
31	341	Transportation Equipment	
32	342	Stores Equipment	
33	343	Tools and Work Equipment	
34	344	Laboratory Equipment	
35 36	345 346	Power Operated Equipment Communications Equipment	
37	347	Miscellaneous Equipment	
38	347.1	Miscellaneous Equipment - CNG Plant	
39	348	Other Tangible Plant	
40		Janes V Janes	
41		TOTALS	\$ 108,371
42			
43			
44		RTING SCHEDULE	
45	Work pa	pers	

46

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - F

Exhibit Settlement Schedule B-2 Page 3.6 Witness: Bourassa

Line								
No.						•		
1	Allocate	ed Corporate Plant						
2			[1]	[2]	[3]	[4] = [1]x[2]x[3]		
3			Revised	Liberty	BV	Allocated	Direct	
4	Acct.		Orginal	Utilities	Water	Orginal	Orginal	increase
5	<u>No.</u>	Description	Cost	<u>Factor</u>	Factor	Cost	Cost	(Decrease)
6	903	Land and Land Rights	1,312,818	12.94%	11.94%	20,284	20,738	(454)
7	904	Structures and Improvments	11,123,684	12.94%	11.94%	171,865	186,562	(14,697)
8	940.1	Computers and Software	2,187,630	12.94%	11.94%	33,800	32,493	1,307
9						•		.,
10								
11	LU Sub	-Corp. Plant						
12								-
13	903	Land and Land Rights	-		11.94%	-		-
14	904	Structures and Improvments	405,370		11.94%	48,401	38,497	9,904
15	940	Office Furniture and Equipment	257,704		11.94%	30,770	24,473	6,296
16	940.1	Computers and Software	1,359,281		11.94%	162,298	129,087	33,211
17								
18								
19								
20 21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41		TOTALS			_	\$ 467,417 \$	431,849	\$ 35,568
42							401,043	w 35,500
42								

SUPPORTING SCHEDULE

44 <u>SUPPORTING</u> 45 Work papers 46 Testimony

43

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments

Adjustment Number 1 - G

Exhibit Settlement Schedule B-2 Page 3.7 Witness: Bourassa

<u>No.</u>	_						
1	Recond	iliation of Plant to Plant Reconstruc	<u>tion</u>				
2					Settlement		
3	A		Adjusted		Adjusted	Plant	
4	Acct.	5	Orginal	B-2	Orginal	Per	
5	<u>No.</u>	<u>Description</u>	<u>Cost</u>	<u>Adjustments</u>	<u>Cost</u>	Reconstruction	<u>Difference</u>
6	101	Plant-in-Service	-	-	-	-	•
7	301	Organization Cost	-	-	-	-	•
8	302	Franchise Cost	98,989	-	98,989	98,989	_
9	303	Land and Land Rights	688,011	•	688,011	688,011	-
10	304	Structures and Improvements	4,294,328	(306,481)	3,987,847	3,987,850	3
11	305	Collecting and Impounding Res.	46,813	-	46,813	46,813	(0)
12	306	Lake River and Other Intakes	-	•	_	· -	-
13	307	Wells and Springs	1,692,408	(19,527)	1,672,881	1,672,881	_
14	308	Infiltration Galleries and Tunnels	-	-	-	· · ·	-
15	309	Supply Mains	432,050	2,180	434,230	434,230	_
16	310	Power Generation Equipment	195,696	18,877	214,572	214,572	_
17	311	Electric Pumping Equipment	3,195,256	66,170	3,261,426	3,261,426	_
18	320	Water Treatment Equipment	117,674	(117,674)	0	0	(0)
19	320.1		•	63,317	63,317	63,317	(0)
20		Chemical Solution Feeders	•	55,450	55,450	55,450	_
21	330	Dist. Reservoirs & Standpipe	3,195,343	(3,195,343)	0	0	(0)
22	330.1	Storage tanks	-	2,706,220	2,706,220	2,706,220	- (0)
23		Pressure Tanks	-	461,546	461,546	461,546	_
24	331	Trans. and Dist. Mains	14,654,450	161,053	14,815,503	14,815,503	_
25	333	Services	2,173,490	50,209	2,223,699	2,223,699	-
26	334	Meters	1,959,945	(60,890)	1,899,055	1,899,055	-
27	335	Hydrants	1,151,007	1,328	1,152,335	1,152,335	_
28	336	Backflow Prevention Devices	· · ·	-	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1,102,000	_
29	339	Other Plant and Misc. Equip.	189,235	•	189,235	189,235	•
30	340	Office Furniture and Fixtures	281,034	(115,961)	165,073	165,073	-
31	340.1	Computers and Software	166,002	115,525	281,527	281,527	•
32	341	Transportation Equipment	519,513	38,258	557,771	557,771	-
33	342	Stores Equipment	-	-	551,771	557,771	-
34	343	Tools and Work Equipment	314,385	5,794	320,178	320,178	-
35	344	Laboratory Equipment	3.285	0,104	3,285	3,285	•
36	345	Power Operated Equipment	101,250	37	101,287	3,265 101,287	-
37	346	Communications Equipment	892,339	3.490	895,829	895,829	-
38	347	Miscellaneous Equipment	662,722	(442,442)	220,280	•	•
39	347.1	Miscellaneous Equipment - CNG F		450,582	450,582	220,280	-
40	348	Other Tangible Plant	155,378	400,002	, ,	450,582	-
41			190,010	-	155,378	155,378	-
42		TOTALS	\$ 37,180,603 \$	(58,282) \$	37,122,321	\$ 37.122.324 5	
43			+ 01,100,000 ((30,202) \$	31,122,327	\$ 37,122,324 \$	3
4.4							

SUPPORTING SCHEDULE B-2, pages 3.1 through 3.2 B-2, pages 3.8 through 3.13

44

45

Line

Adjusted 8 months Adjusted B months B				Per Decision	5						900					
March December D		MUC	Allowed		Acoum	Plant		Afficient Oroft		1	700					
Part Description Descrip		contri	Depres	Park	Denem At	Adritions	1		ć	Adjusted	E .	Adjusted		9 months		
State Companies Contained			Rate	3/31/2009	3/31/2009	(Per Books)	Adjustments	Adjustments	Adjuntments	Additions	(Per Books)	Plant Retirements	Salvage A/D Only	Depreciation	Plant	Accum.
202 Lead and Lace Began 60 800 80 80	-		7000												N. C.	
20 Stratewine of Incomment 2.274 2.000 118.774 28.724 118.774 28.727 11.202 24.076 24.076 27.727	~		2000	. 3		٠	• ;		ı		1	•	•	ı	,	•
Section of the procession of the continuent of	m	_	2000	8	•	•	(6,362)			(6,362)	ı	h		1	(5,40+)	
200 Collecting Linguicating pleases plea 25th 118778 (18772) (12702) (12714) (68351) (4974 2074 (12702) (12702	•		200	110,000		•	•		,	٠	•				688.011	•
10 Complete Comp	w.		K 27.0	L / / bla's	ACO. / BC	116,776	(30,772)		(102,116)	(86,351)	•	•	•	46.743	1,828,420	443.777
10 10 10 10 10 10 10 10			7 TO 1	40,613	2.059	•	•				,	•		878	48.813	> 836
State Participation of Application State		_	K.30.8	. :	•	•	•				1					}
Province Contraction Equipment 2007s 3,286 55 624 524	•	_	3,33%	1,298,272	\$27.041	36,778	•	(12,702)	•	24,076	1	,	,	12.00	1 127 148	. C.C.O.788
200 Power function of automation (a) 200% 3,256 65 624 266 264 266 267 207 207 208 207 208 207 208 207 208		_	6.67%	•		•	,					•				901,800
110 Proving Equipment 2,500% 1,225 2,045,711 1,54,011 2,046 1,249 1,	. :		2,00%	3,256	\$6	128	•			708	ļ			. 8	. !	. :
300 Week Treatment Resignment 1350% 2246171 (\$3440 3,849 3,849 2,043 2,043 300 Week Treatment Resignment 3,35% 2,8461 (\$2,800) (1,204) (1,204) (1,204) (1,204) (1,204) 2,043 2,043 2,043 2,044	2	_	5.00%	1,293	52	,	•			Š	•	•		8	4.180	Ž
320 Week Treatment Engineer 3.35 March Treatment Engineer 3.35 March Treatment Engineer 3.35 March Treatment Engineer 2.04 March Treatment Treatment Engineer 2.04 March Treatment Treatment Engineer 2.04 March Treatment Treatment Treatment Engineer 2.04 March Treatment	=		20%	2.246.171	1 934 910	3 846				. ;				*	1,293	2.
200 White Treatment Parists 2.005	2.	_	3.33%	A2 286	30800	<u>.</u>			1	3,849		,		210,759	2,250,020	2,145,689
200 Southforn Chartrical Feeders 200% 22% 2671/17 775,003 24,049 (2,280) (1,204) (18,941) (18,941) (200) (2,204) (2,28	13		3 33%	Ann 122	12,023	•						ı		2,083	83,385	14,907
350 Distriction Revieworks & Supplication White & Supp	*		2000	•	•		•		1			1				
350.1 Stronger lands 2.222, 2.528, 17.7 75,373 2.40,48 (2.900) (1.904) (19,941) 43,918 43,918 330.1 Tressuration & Devices and Particular Residues 3.60% 1.2228,899 3.464.22 1.00 (1.00)	ī.		2 2 2		. :	•	•			1	•	1				•
105,009 105,			7777	2,637,717	775,303	24,049	(2,900)	(1,208)	(19,941)	,		•	•	4104	2 882 242	
333 Transmit Services 3400% 2200	2 :		222			•			105.068	105.088					11,150,	77.810
331 Services 331 Services 2.206, 80 of 2.20 (st.) 1.0226, 800 of 2.48 (2.00 of 2.40	-		\$.00%	•	,	•	•					•		0,0	880,00	875
3.34 Services 3.31% Services 1.458/115 817,828 31,515 (187) (177) <t< td=""><td></td><td></td><td>2,00%</td><td></td><td>3.489.236</td><td>210424</td><td>(111 R26)</td><td>1902 777</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>•</td></t<>			2,00%		3.489.236	210424	(111 R26)	1902 777								•
3.4 Medicas Holdres 3.1,400 1,376,333 1,346,368 22,236 1,477 1,446 2,446 24,446 3.39 Hydramic Schlow Prevention Covices 8,674 11,4530 87,533 1,346 22,236 1,477 1,446 24,446 24,446 3.39 Other Plant & Misc Equipment 8,674 117,732 1,286			3.13%		817.929	31515	(187)	(CR)						183,94D	12,298,379	3,673,175
335 Hydranis 2,00% 661,666 276,183 31,400 31,400 14,864 339 Charle Prevailed Equipment 8,874 114,530 6,753 1,286 276,183 1,286 1,286 1,286 1,286 1,286 1,884 1,884 1,884 1,884 1,884 1,884 1,884 1,884 1,884 1,884 1,886 1,884			8.33%	1,378,333	1 346 699	12 010	(0.4.5)			90715	1			36,622	1,489,981	854,751
339 Bededition Prevention Devices 8,87% 114,539 8,732 1,288 1,288 1,288 3,702 340 Other Funditud Equipment 26,7% 117,739 1,288 1,288 5,702 340 Computer & Equipment 20,00% 10,00% 10,232 1,288 1,688 2,138 341 Tensocitation Equipment 20,00% 208,464 248,950 30,435 (13,809) 16,826 15,898 342 Sines Equipment 5,00% 122,712 122,448 16,826 16,826 15,898 343 Sines Equipment 10,00% 122,712 122,448 1,882 1,882 1,882 344 Latoratory Equipment 10,00% 100,00% 100,00% 100,00% 1,183 1,882 1,183 347 Miscoellanous Equipment 10,00% 100,00% 100,00% 100,00% 100,00% 1,183 347 Miscoellanous Equipment 10,00% 100,00% 100,00% 100,00% 100,00% 100,00%<			2,00%	961.808	276 183	31,400				19.469	1	•		24,646	1,407,802	1,371,345
339 Other Plant & Marc Equipment 6.67% 114,539 6.753 1,286 1,286 5,702 5,702 3,702 <th< td=""><td></td><td>_</td><td>8,87%</td><td></td><td>3</td><td>3</td><td>•</td><td></td><td></td><td>31,400</td><td></td><td>,</td><td></td><td>14,864</td><td>993,296</td><td>290,627</td></th<>		_	8,87%		3	3	•			31,400		,		14,864	993,296	290,627
340 Office Functions & Equipment 6.67% 177.672 194.22 1,700 1,700 1,77.73 1,97.73 1,77.73 1,77.73 1,77.73 1,77.73 1,77.73 1,77.73 1,77.73 1,77.73 1,77.73 1,77.73 1,77.73 1,77.73 1,77.73 1,77.73 1,77.73 1,77.74 1,77.73 1,77.74		_	6.87%	114 630	8 253					• ;	1			•	,	
34.0 Computers & Software 20,00% TSO,00% TSO,00% 248.9 30,435 (13,809) 16,826 3,138 34.1 Timespotation Equipment 20,00% 268,464 248,950 30,435 (13,809) 16,826 15,896 34.2 Strees Engipment 5,00% 122,712 122,448 15,896 15,896 15,896 34.1 Leboratory Equipment 6,00% 315,48 5,882 84,135 (57,285) (344) 6,402 1,89 34.1 Miscollamona Engipment 10,00% 100,742 82,244 84,135 (57,285) (344) 6,402 37,786 34.1 Miscollamona Engipment 10,00% 100,742 82,785 27,181 11,683 4,125 1,183 34.1 Miscollamona Engipment 10,00% 100,742 84,135 (57,285) (344) 6,402 37,786 34.1 Miscollamona Engipment 10,00% 100,742 27,181 10,00% 10,402 10,402 11,683 34.2 All outsting 10,00% 10,406 10,406 <t< td=""><td></td><td>_</td><td>8.87%</td><td>111</td><td></td><td>e</td><td></td><td></td><td></td><td>788</td><td>•</td><td></td><td></td><td>5,762</td><td>115,807</td><td>14,515</td></t<>		_	8.87%	111		e				788	•			5,762	115,807	14,515
341 Therespondshon Equipment 20,00% 28,448 244,950 30,435 (13,869) 16,626 24,138 34,138 (13,869) 16,626 24,138 15,886 34,138 (13,869) 16,626 15,886 15,886 15,886 15,886 15,886 15,886 16,882 <td></td> <td>_</td> <td>30.00</td> <td>000 081</td> <td>417.73</td> <td>•</td> <td>•</td> <td>•</td> <td></td> <td></td> <td>•</td> <td>•</td> <td>•</td> <td>8.868</td> <td>177,672</td> <td>147,120</td>		_	30.00	000 081	417.73	•	•	•			•	•	•	8.868	177,672	147,120
342 Stress Equipment 4,00% 122,712 122,448 15,009 16,009 <th< td=""><td></td><td>_</td><td>20.00%</td><td>263,464</td><td>249 050</td><td>, Se</td><td></td><td>•</td><td>•</td><td></td><td></td><td>•</td><td>,</td><td>24,138</td><td>160,920</td><td>141,876</td></th<>		_	20.00%	263,464	249 050	, Se		•	•			•	,	24,138	160,920	141,876
343 Took, Shop & Gasage Equipment 6 500% 122,712 122,448 166 166 167 168 168 169 169 169 169 169 169 169 169 169 169		(r)	4004			7	(13,009)		•	16,626		•	•	15,598	285,790	784,647
344 Laboratory Equipment 10.00% 31.548 5.882 1.183 1.183 1.183 345 Proven Operator Equipment 1.00% 420.744 93.204 84.135 (57.385) (344) 6.402 1.183 347 Miscolarona Equipment 10.00% 107.309 100.742 84.135 (57.385) 6.402 7.786 347 Miscolarona Expirment - CNG Plant 10.00% 107.309 100.742 84.135 (57.385) 7.786 349 Other Tampide Plant 10.00% 10.00% 10.00% 10.00% 10.00% 10.00% 4 Constitution 10.00% 10.40% 584.460 (295.28) (50.87) 229.325 702.544			800%	120 713	127.44	•						•			•	•
345 Poner Operated Equipment 5.07% 31.548 5.882 1.83 1.83 1.83 34 Poner Operated Equipment 420.744 89.204 64.135 (57.345) (344) 84.02 1.738 347 Miscoelismonae Equipment CMG Plant 10.00% 107.309 100.742 84.135 (57.345) (344) 84.02 4.72 347 Miscoelismonae Equipment CMG Plant 13.33% 10.00% 10.74 10.00% 10.74 11.653 348 All Miscoelismonae Equipment CMG Plant 10.00% 10.42 27.191 11.653 11.653 348 All Miscoelismonae Equipment CMG Plant 10.00% 10.42 84.460 (295.28) (348) 64.02 11.653 348 All Miscoelismonae Equipment CMG Plant 10.00% 10.42 88.440 (296.29) (348) 7.79 11.653		_	760001	!		•	•			1		•		9	122,712	122,846
346 Communication Equipment (10.00% 4.00 14.136 (57.365) (344) 64.02 (11.83 1.85) (344) 64.02 (11.83 1.86) (34.83 (57.365) (34		_	\$00%	22.50	1	•				ı		•				1
347 Miscallaneous Equipment (100% 100,730e 100,742 (37,185) (37,185) (4,185) (_	700.00	120.744	700.0	. :	. !			1	,	•		1,183	31,548	7,085
347.1 Miscellannous Expirement - CNG Plant 13335. 348 Other Tangible Plant 10,00% 155,378 27,191 11,653 Rounding TOTALS 285.05,787 10,442,489 584,449 (295,281) (59,873) 229,325 20,325			1000	F (22)	402,08	25.73	(382) (4)	êr.		6.402		•	•	31,796	427,146	125,000
348 Other Tangible Plant 10,00% 155,378 27,191 11,653 Rounding TOTAL9 28,557 10,442,499 (295,291) (59,873) 279,325 703,594			1 13%	900 101	767.00		•			•		,		4.923	107,306	105,685
Rounding Rounding TOTALS 27.181 (1.653) (59.873) 229.325 707.84 707.84			27.0	. !	•	•				•	•	•				
TOTALS 28.505.767 10,442.489 (235.281) (58.873) 229.325 703.594			\$ 00.0	155,378	27,181	•	•				•			11.653	155 378	30 045
TOTALS 28.505.787 10,442.489 (285.281) (58.873) 229.325 703.594	, ,	Distance of the second		•	•	•	٠				,					6
28.565,767 10,442,489 584,460 (285,281) (58,873) 228,325 7102,594	3 3	TOTALO													1	
				797,606,67	10,442,499	584,490	(295,281)	(59,873)		229,325				702 594	26 21K no.	14 448 003

	25	U	Aftowed	Plant		Afficiate Profit		Adiantad	2					
Š	Account	7	Description	Action	1	1 1 1	:	- Anjeries		Adjusted				
2	2	Description					Š,	Ĕ	Retirements		Sakrage	Depreciation	Plant	Accum.
4	1	Driven Mary	JESU JESU JESU JESU JESU JESU JESU JESU	(I-e/ 509(B)	Adherments	Ademyments	Adlivetments	Additions	(Per Books)	Retirements	AD Onk	(Calculated)	Batence	Decree.
-	8	Organization Cost	0.00%											
~	305	Franchise Cost	3000	C77 80				. :				•	•	•
-	8	Land and Land Richts	9000		•			3				•	91,042	•
•	Š	Structures & brownerments	1338	796.0	•			•					688,011	•
**	É	Collection & Immunofine Deservation	,	\$C7'978		•		926,254	1		•	76,342	2,750,675	520,116
•	Š	Take Diver Come Intelled	5 3	'				•				1,170	46,813	4.107
•	Ş	MANUAL OF THE STREET	5									. '	•	
	Ì	ANAMES & CIDILIDES	3.33%	48,667		•	(48,087)		,	•	٠	74 107	******	
		Infiltration Galleries	6.67%	,	•							5	1,324,340	20.500
Ф	8	Raw Water Supply Makns	2,00%	•						•		•	•	•
2	310	Power Generation Equipment	300%	•								2	4,180	83
=	31	Pumping Equipment	2000	170'00	•		į	• ;		•		8	1,293	- B2
Đ	200	Warles Transment Communication	7 2 2 2 2				47.273	116,914	36,183	36.183	٠	106,470	2,3	2,217,957
. 5	5	The state of the s	2.55%	•			•	ı		•	٠	2.777		17 606
2 ;		VARIET LIGHTINGTE PUBLICA	3 33%		•		•	٠	•	•		•		
ž	320.2	Solution Chemical Feeders	20.00%	•	,		,	•	,			•	•	•
ħ	330	Distribution Reservoirs & Standpipes	222%	108,787	•		1108 787		,	•		. :		•
Ď	330.1	Storage Tenks	222%		•		(100)		•	•	•	26,557	2.937.717	877,778
17	330.2	Pressure Tenks	\$ 00%		•					•		2,333	105,068	3,207
₽	33	Transmission & Distribution Mains	2		1	. ;	. :	. ;	•		,	•	•	•
9	333	Sarvices	7 2.2		•	(4,4)	100,787	519,743	,	•	•	251,165	12,816,122	3,824,340
2	룘	Melers	73.00	***	•			47.808		•		50,412	1,537,788	905,163
ĸ	333	Hydrania	2006			i		46,614		•	•	12,305	1,454,418	1,383,850
8	338	Backflow Presention Devices	200					827.52 82.72				20,068	1,013,518	310,885
1 5	90.	Other Diese & Man Employee	K 100					•		٠			•	. '
7	3	Office from the Continued	K /0'0	r i	•			5,694				7,914	121,502	22.420
K	9	Computers & Commercial	R 100				,	5,111	1			12,021	182,783	159.142
	ž	Transportation of the contract	8	ı	,			•	•		•	18,044	160,920	160 920
3 6	5 5	Paris Charles Equipment	2	•			4		•	•		8.244	285 290	273.081
. 5	,	The Court of the C	4 and							,		•		
2 8	3	roces outbook adrage Equipment	5,00%	13,683		٠		13,663	•		•	404	114 105	1
3 8	Š ;	Laboratory Equipment	0.00		1					•				000
3	ŝ	Power Operated Equipment	5.00%		•			,						. ;
E	8	Communication Equipment	10.00%	•				•		•		100	X	7
ĸ	¥	Miscellaneous Equipment	10,00%		•	,			,			42,715	427,146	187,714
æ	347.1	Miscellaneous Equipment - CNG Plant	3.33%	٠			•	•			1	1,64	107,306	107,308
7	ž	Other Tangible Plant	40.004					•				•	•	•
7		Roundley										15,538	155,378	54,382
*								•				٠	•	•
8		TOTALS		1 804 874		1							j	
			1	1 MATTAL		(4.70%)	(1,424)	1,500,484	36.183	36,183		736,884	28,499,393	11.845.794

1						!			344					
	ARCC C	9	Allowed	Plant		Affiliate Drafe		A district						
5	Account	Ŧ	Darren	Artellione	t d	T T T T	8	Adjusting.	ž,	Adjusted				
외	윒	Description	Refe	(Per Books)	Achiantonia	Adhiretments	Advisiments	Additions	Retrements (Per Books)	Plant Retirements	Salvage AD Onk	Depreciation (Calcutated)	Plant	Accum.
-	90	Organization Cost	2000											
~	302		0		•			•		•		•	•	•
•	303	_	2000	•				18		•		•	986, 989	•
•	ğ	Structures & Impreventants	3.33%	•	•	É		. !		•		•	110,880	•
16	908	Collecting & Impounding Reservoirs	2 5.00		•	3	61.75	108,972		•	•	93.628	2,366,647	613,747
•	906	Lake, River, Canal Intakes	250%					,		•		1,170	46,813	5,277
	307	Wells & Sorings	1116	7	•	5		. :		•		•	,	•
	308	Infittration Galleries	867%	-		(5.330)	17,170	229,087		•	•	47.849	1,551,443	651,649
•	9	Raw Water Supply Mains	200%	•				•		•		•	i	,
₽	310	Power Generation Equipment	300		•					•		\$	4,180	308
=	31	Pumping Englander	40.0							•		E	1,293	£
2	Š	Wester Transferrent Ernsternen	200	910,25	•	(1.628)	1	130,180	•	•	•	23,232	2,460,840	2,241,189
. 5	2	Market Transfered Daniel	45.54		•		•	•		•	•	2.777	83,385	20,460
: ;		TOTAL MINISTER OF THE PARTY OF	0,d37	•	•		•		•			•	•	•
! ;	777		70.00 K		,	•	•	٠	•		٠	•		
2 1	25	die A St	222%	2,051	1		(2,051)	•	•	•	•	54 557	2 847 747	400 400
. و	9		2,22%		,							60.0	100	OCP'SCE
~	330.2	Pressure Tenks	5.00%		1	٠	213	711	,	•		555.3	900	OK.
₽	Ē	Transmission & Distribution Mains	2.00%	892,283	•	(5,313)	1840	888 810	,	,	•	7		n
2	g	Services	3.33%		•	(1.502)	!	123 446		•	,	(C) (B)	13,700,932	4,189,581
z	ž	Meters	8.33%		•	(3/6)		24 940				3	1,001,235	958,427
<u>ب</u>	335	Hydrants	2.00%			É	•		,		•	7,375	1,479,326	1,391,025
8	336	Bitchflow Prevention Davices	8.67%		•	(acc)		110		•		20,658	1,052,283	331,553
8	33	Other Plant & Misc Equipment	8.67%							•		1	•	•
74	340	Office Furniture & Equipment	867%					r io				8.298	127,317	30,727
52	346	Computers & Software	X000X			•		Š		•	•	12,209	183,287	171,350
皂	2	Transportation Equipment	20.00%			100	•	, 40				•	190,920	186,920
2	342	Stores Equipment	4.00%			Ī		19,/92	•		٠	7	301,082	278,036
20	343	Tools, Shap & Garage Equipment	5.00%	2		£ 90		, 40					1	,
g:	ž	Laboratory Equipment	10.00%			(10.)		30.4	,			1,536	170,478	124,591
9	35	Power Operated Equipment	5.00%	•									•	ı
Ξ	ž	Communication Equipment	20 Out		•			•				1,577	31,548	10,220
Ω	ž	Miscellangous Equipment	70000		•	•	•	•				42,715	427,146	210,429
2	347.1	Miscellaneous Equipment - CNG Plant	3 23%	,		•	•			•		1	107,306	107,306
¥	348	Other Terrolble Plant	3000	•						•		•		•
35		Rounding	3	,								15,538	155,378	69,920
35				ı				•				1		•
œ		TOTALS		1,622,318		(43 Zec)		1 000 551						
						116,700		CC 500.			•	863.064	30,108,946	12 509 RSS

Application Comparison Co		5									7174					
Machine Detacletion Deta				Agomed	F		Affiliate Profit		Adjusted	Plant		Actinology				
200 Projection Cost		Account		Deprec.	Additions	Plant	Piaz	Ç	Plant	Pathromente	Detterment		-		1	
301 Committation Conference 0.000	ğ	쉺	Description	Rete	(Per Books)	Adjustments	Adivetments	Adjustments	Additions	(Per Books)	Adhrements	Retirements	AD Only	(Celculered)	Plant	Accum. Decree
320 Land and Land Registration of Control (1978) 100 Per Processor (1978)<		90	Organization Cost	3												
		305	Franchise Cost	9000		•						•		•	•	•
State Stat	_	8	Land and Land Bloth	200	1				•	1				•	98,959	•
State Confection of Improved information 2.25% 1.75% 1.75% 1.25% 1.75% 1.25% 1.75% 1.25% 1.75% 1.25% 1.75% 1.25% 1.75% 1.25% 1.75% 1.25% 1.75% 1.25% 1.25% 1.75% 1.25%		Ş	Chick the Commence of the Comm	2000					•	•					655.011	,
1,170			CLOCKING & INCHANGE	X55.0		•	(1,429)	1	95,309	•	•		•	97 D48	2 044 054	74.0 705
300 Metal Relations 12,50A 32,439 (600) 22,539 (71,70) 46,013 301 Week & Springer 31,30A 32,439 (600) 22,339	_	Ş	Collecting & Impounding Reservoirs	2.50%	1	•				•						
300 (inflication) and inflication calculations of the property and an appropriate Supply Manner 3.354 6000) 3.2899 3.2209 3.2210 1.584.264 300 (inflication) and calculations of the property and calculations and calculations of the property and calculations and calculati		9	Lake, River, Canal Intakes	250%						•				0,1,1	46,813	6.44
10 Province of Collegions 2,00% 1,00%		307	Wells & Springs	3.33%			acopt			•		•			•	•
3.00 Rear Widele Stage Mailer 2,000 Rear Mailer 2,000 Rear Widele Stage Mailer 2,000 Rear Mailer Mailer Mailer Mailer 2,000 Rear Mailer Maile		308	Inflitration Galleries	8.67%		•	(See	•	32,839		•	•	•	52,210	1,584,264	703,858
11 Proper Canada Edujament 5,00% 1,100		908	Raw Weler Supply Mains	2 00%		,			,			•		•	•	•
13.97 Pumping Equipment 12.90 Week Health 11.20 Week Health 11.20 Week Health 12.90 Week Health 12.90 Week Health 12.90 Week Health 13.90 Week H	_	310	Power Generation Forstones	38	•									2	4,180	360
250 Weier instruction facility 2,356 Wei		<u></u>	Planning Followers	303		ı						•		8	1,283	316
2,321 Winter Treatment 3,354 14,355 13,355 14,355 14,355 13,355 14,355 14,355 13,355 14		Ş	Water Treatment England	12.30		ı	(1,120)	1	167,328		ı	•		41,827	2,628,269	2.283.016
2022 Solution Character 2,324 14,351 1		320.4	Month Transmiss Division	0.35		,	933	(14,351)	•		1	,	•	2,777	83.385	73.23
1,435 14,351 14		120.7	STEEL LINE WAS IN THE STEEL	2,33%		,		1	•		ı	,	•	. (
Standard Interference Stan		7 50	Contract Chemical Penders	20.00		1		14,351	14,351		•	į		1.435	14.351	36.8
1992 Presental mines 22754 1998 19			Literación Reservora à disridipes	222	•		,		1			1		755.85	7 637 717	004 90
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339 Backflow Prevention Devices 21,522 1,008,525 21,522 1,008,525 330 <td></td> <td>88</td> <td>Hydrants</td> <td>2.00%</td> <td>48.199</td> <td></td> <td>1567</td> <td></td> <td>47.633</td> <td>•</td> <td></td> <td>•</td> <td></td> <td>11,638</td> <td>1,558,772</td> <td>1,402,660</td>		88	Hydrants	2.00%	48.199		1567		47.633	•		•		11,638	1,558,772	1,402,660
339 Other Plant & Misc Equipment 6,87% 77,205 (2,136) (75,098) 75,098 75,012 75,098 75,012 <td></td> <td>88</td> <td>Backflow Prevention Devices</td> <td>%.40°0</td> <td>•</td> <td>•</td> <td>î</td> <td></td> <td>700'1</td> <td></td> <td></td> <td></td> <td></td> <td>21,522</td> <td>1,098,925</td> <td>353,075</td>		88	Backflow Prevention Devices	%.40°0	•	•	î		700'1					21,522	1,098,925	353,075
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340.1 Computers 6 Software 20.00% 2.366 1.224 183.287 341 Trensported Equipment 20.00% 2.366 1.50.686 1.50.68 1.50.68 343 Stores Equipment 4.00% 3.36 2.366 2.366 1.50.64 343 Totals, Shop & Garage Equipment 5.00% 3.36 3.36 3.36 3.36 344 Labrardory Equipment 10.00% 10.003 3.36 3.36 3.36 3.36 345 Communication Equipment 10.00% 10.003 10.003 3.37 3.31 <t< td=""><td></td><td>348</td><td>Office Furniture & Equipment</td><td>8.67%</td><td>77.2TS</td><td>•</td><td>40,470</td><td>į</td><td>•</td><td></td><td></td><td></td><td></td><td>8,482</td><td>127,317</td><td>39,21</td></t<>		348	Office Furniture & Equipment	8.67%	77.2TS	•	40,470	į	•					8,482	127,317	39,21
341 Trensportation Equipment 20,00% 73,009		340.1	Computers & Software	20.00		ı	(4, 130)	(BO)(F/)	, ;				•	1,224	183,287	178,574
34.2 Stores Equipment 4.00% 30.3448 34.3 Tools, Shop & Cange Equipment 5.00% 30.333 (836) 3.551 20.8875 34.5 Power Operated Equipment 10.00% <t< td=""><td></td><td>2</td><td>Trensportation Equipment</td><td>20.00</td><td>,</td><td></td><td></td><td>BOO'C</td><td>990'4</td><td></td><td>•</td><td>,</td><td></td><td>7.507</td><td>235,989</td><td>168,427</td></t<>		2	Trensportation Equipment	20.00	,			BOO'C	990'4		•	,		7.507	235,989	168,427
343 Todal, Shop & Garage Equipment 5.00% 38.333 (838) 38.497 33.51 200.875 34.51 200.8		342	Stores Equipment	7	7.300			•	2,366		•	•	•	6,780	303,448	284,794
3.44 Laboration/ Equipment 3.051 208,875 3.051 208,875 208,875 208,875 208,875 3.051 208,875 3.051		3	Tools, Shop & Garage Equipment	2 000%			Page 2		. !	•		,				٠
345 Power Operation 5 00% 1,577 31,548 346 Communication Equipment 10 00% 10 00% 42,714 427,146 347.1 Miscoelstrenous Equipment 10 00% 10 00% 481 117,123 346.2 Other Tanglose Plant 10 00% 15,538 155,378 155,378 70TALS 1359,786 115,922 144,448 144,448		ž	Lebrariory Equipment	10.00%	7		(are)		35,487		•		•	3,351	208,875	127,941
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347 Miscellaneous Equipment - CNG Plant 3,33% 10,00% 10,003 (247) 9,517 427.146 427.146 347 17.123 481 117.123 348 115.378 Founding 10,00% 10,00% 10,00% 11,		8	Communication Equipment	10.00%								1		1,577	31,548	11,797
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1,339,766 - (15,9)2 1,44,8,64					ı					•		•			•	٠
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Exhibit Settlement Schedule B-2 Page 3.12 Withess: Bourassa

										2013						
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2		No. Description	Rate	(Per Books)	Adjustments	Advetmente	Adjustments	Accilions	(Per Books)	Adjustments	Retirements	B-2 Adam	A/D Onty	(Calculated)	Balance	Depres.
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* !	2.00		20.D0%		•	•	18,671	16,871	•		•	•		4 637	11.00	
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2	33	35 Hydrants	2,00%	37.941				17 64:	600	•	800 P	•	•	21.788	1,673,625	1,375,561
ដ	338	36 Beckflow Prevention Devices	6.67%	•	,			<u>.</u>	F. 1.3		2.73			22,351	1.135.129	372,669
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7	Ä		8.67%	700	•		13.00		, 10		. !			. 54.	128,796	47,780
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79	8		5.00%	62.242	•	•		, 62			. }			•	•	1
8	Ĭ	_	10.00%		•			7477	78/0	1	287.9			5,86,2 5,	262,424	125,018
8	345	_	5.00%		. ,			•						•	•	•
3	8		10.00%					•	•					1.577	31,548	13,375
ä	ž		10.00%	57			•	, •	. :	•		•	•	42.715	427,148	295,858
£	347.1	_	3.13%				•	ç	Page (r	•	9.838		•	X	111,280	102,893
7	ž	8 Other Tandible Plant	40.00					ı	•					•	,	,
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3.00.1 Which Theraport (Spinshold) 3.335	320.1 International Confidence of Particle (1.24) (1.14) (ŧ	_			700'010			131)	614,952	79,372	•	79,372	83.627	,	,	5 227	470 000		
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330 Deficitation Reservoirs 6 Standagles 2278 426,649 424,770 42	330 Deficitation Reservoire 5 Standardees 2.27% 4.26,646 4.24,770 4.37,771 4.31,710 4.34,770 4.34,370	7	328		20.00							•		E	62,853	17,698	5	8	60,317	17.707
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336 Other Plant & Misc Equipment 66/1% 60/40 60/40 60/40 198 584 19 340 Check returnated Equipment 20.00% 1,619 723 8.328 1,282 2,478 248 341 Transportation Equipment 20.00% 310,415 38,259 348,873 44,350 94,350 2,478 248 342 Storms Equipment 4.00% 45,101 1 45,102 6,503 94,350 479 344 Laboration Equipment 5.00% 3,285 3,285 3,285 30,380 479 347 Mecabination Equipment 5.00% 48,787 45,737 1,678 1,976 479 347 Mecabination Equipment 5.00% 48,787 45,737 1,678 1,976 470 347 Mecabination Equipment 5.00% 48,787 45,737 1,678 1,980 1,580 347 Mecabination Equipment 5.00% 48,711,519 1,99,001 1,99,001 1,	336 Other Plant & Misc Equipment 66/17s 66/40 60/40 66 40 564 544 <t< th=""><th>Ħ</th><th></th><th></th><th>6.67%</th><th></th><th></th><th></th><th></th><th></th><th>3</th><th></th><th>Ď</th><th>- F</th><th></th><th></th><th>F</th><th>22,843</th><th>1,152,335</th><th>305,500</th></t<>	Ħ			6.67%						3		Ď	- F			F	22,843	1,152,335	305,500
340 Office Furniture & Equipment 4 (1974) 8 (197	340 Office Furniture & Equipment 6,87% 1,619 1,619 504 <	2			8449W	60 440	,				,						•	,		•
340.1 Computers & Software 20064. 5.00 7.	340.1 Computers & Software 20,00% 7,00 7739 858 1,262 2478 341 Transportation Equipment 20,00% 3,00 773 8,259 1,262 2,478 342 Store Equipment 5,00% 45,101 1,45,102 6,533 8,530 10,150 343 Todal, Shop & Garage Equipment 5,00% 4,5101 1,45,102 6,533 8,530 10,150 345 Lebra attor Equipment 5,00% 3,285 3,285 3,285 3,285 30,380 347 Macelanious Equipment 10,00% 48,101 457,373 1,678 12,886 347 Macelanious Equipment 10,00% 480,01 457,373 1,678 12,886 347 Macelanious Equipment 10,00% 33,3% 108,001 457,373 1,678 12,886 346 Orner actionment CARD Plant 10,00% 33,3% 100,00% 457,115,19 1,00% 450,587 340 Macelanious Equipment 10,00%	7			A 870		,		į								,	10.606	189 235	5
341 Transportation confinement 2,0003 7,33 8,328 1,282 2,478 2,48 342 Siture Engineent 2,000 310,415 3,9259 34,350 94,350 34,39 34,39 248 342 Siture Engineent 2,000 45,101 1 45,102 6,503 19,156 479 345 Lebenal Broth Engineent 5,000 3,836 3,836 30,386 45,737 1,679 6,503 19,156 479 347 Mercellaneous Engineent 10,000 108,001 427,373 1,679 1,878 12,886 48,8 347 Mercellaneous Engineent 10,000 108,001 109,001 1,679 1,878 12,886 48,8 347 Mercellaneous Engineent 10,000 108,001 109,001 1,679 1,878 1,878 1,878 1,886 347 Mercellaneous Engineent 10,000 108,001 1,09,001 1,679 1,878 1,878 1,878 1,886 <t< th=""><th>341 Transportation equipment 2,003 7,23 8,328 1,262 2,478 342 Storate Equipment 2,000 310,415 3,94,259 3,48677 94,350 84,350 347 344 Lebral Ingraphment 5,000 3,285 1,610 1,616 1,616 345 Power Operated Equipment 5,000 3,285 3,285 3,285 30,380 345 Power Operated Equipment 10,000 45,746 62,746 62,745 1,679 1,678 12,866 347 Micceleanous Equipment 10,000 45,746 62,746 45,753 1,679 450,587 450,587 347 Micceleanous Equipment 10,000 45,746 62,746 62,746 62,746 450,587 450,587 348 Ower Templole Plant 10,000 4,711,519 (12) (12) (120,68 (144,553) 275,615 1,078,481 (0)</th><th>8</th><th></th><th></th><th>2 2</th><th>9 1</th><th></th><th></th><th>8</th><th>828</th><th></th><th>,</th><th></th><th>ž</th><th>•</th><th></th><th>2</th><th>131</th><th>400</th><th></th></t<>	341 Transportation equipment 2,003 7,23 8,328 1,262 2,478 342 Storate Equipment 2,000 310,415 3,94,259 3,48677 94,350 84,350 347 344 Lebral Ingraphment 5,000 3,285 1,610 1,616 1,616 345 Power Operated Equipment 5,000 3,285 3,285 3,285 30,380 345 Power Operated Equipment 10,000 45,746 62,746 62,745 1,679 1,678 12,866 347 Micceleanous Equipment 10,000 45,746 62,746 45,753 1,679 450,587 450,587 347 Micceleanous Equipment 10,000 45,746 62,746 62,746 62,746 450,587 450,587 348 Ower Templole Plant 10,000 4,711,519 (12) (12) (120,68 (144,553) 275,615 1,078,481 (0)	8			2 2	9 1			8	828		,		ž	•		2	131	400	
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Store Equipment COM Communication Computer COM	342 Stores Europment 4,00% 45,101 1 45,102 6,503 19,156 343 Todal Soft Registrent 5,00% 3,255 3,255 3,255 30,386 345 Power Operated Equipment 5,00% 38,350 38,350 30,386 30,386 347 Makedeninous Equipment 10,00% 109,001 457,373 1,678 12,886 347.1 Makedeninous Equipment 10,00% 109,001 109,001 109,001 450,582 347.1 Makedeninous Equipment 10,00% 109,001 109,001 109,001 450,582 347.1 Makedeninous Equipment 10,00% 109,001 109,001 109,001 450,582 347.1 Makedeninous Equipment 10,00% 10,00% 10,00% 10,00% 10,00% 347.1 Makedeninous Equipment 10,00% 10,00% 10,00% 10,00% 10,00% 347.1 Makedeninous Equipment 10,00% 10,00% 10,00% 10,00% 10,00% 347.11,51p 1,016,60 1144,553) 275,615	9			200.00	310,415		,	38.258	348.873	2	٠	97.76			•	ţ	25,43	/2c'102	208.472
343 Tools, Shop & Garage Equipment 5,00% 45,101 1,5102 6,503 19,156 479 344 Leben Single Equipment 1,00% 3,286 3,286 3,286 479 345 Pewal Operated Equipment 1,00% 45,146 45,135 1,678 1,578 17,806 469 347 Michaelaneous Equipment 1,00% 1,00% 1,00% 1,00% 457,330 1,678 1,586 469 6 347 Michaelaneous Equipment 1,00% 1,00% 1,00% 1,00% 450,367 1,586 450,587 7,582 347 Michaelaneous Equipment 1,00% <th>343 Tools, Shop & Garage Equipment 5 DOW 45,101 1 45,102 6,503 8,503 19,156 345 Pueble interest Equipment 1,000% 3,285 3,285 3,285 30,386 346 Contranscalant Equipment 10,00% 45,101 1,000 1,078 1,078 1,078 347 MicroElemence Equipment 10,00% 1,090 1,090 1,078 1,078 1,078 348 Other Tangble Plant 10,00% 4,711,519 (121) (398,849) 4,342,450 420,168 (144,553) 275,615 1,078,491 (0)</th> <th>7</th> <th></th> <th></th> <th>¥00,*</th> <th></th> <th>,</th> <th></th> <th></th> <th>. '</th> <th></th> <th></th> <th>į</th> <th>•</th> <th></th> <th></th> <th></th> <th>40,602</th> <th>557,771</th> <th>238,045</th>	343 Tools, Shop & Garage Equipment 5 DOW 45,101 1 45,102 6,503 8,503 19,156 345 Pueble interest Equipment 1,000% 3,285 3,285 3,285 30,386 346 Contranscalant Equipment 10,00% 45,101 1,000 1,078 1,078 1,078 347 MicroElemence Equipment 10,00% 1,090 1,090 1,078 1,078 1,078 348 Other Tangble Plant 10,00% 4,711,519 (121) (398,849) 4,342,450 420,168 (144,553) 275,615 1,078,491 (0)	7			¥00,*		,			. '			į	•				40,602	557,771	238,045
344 Lebonalinity Equipment 10,00% 3,285 3,285 479 345 Power Toperated Equipment 5,00% 48,986 38,285 38,356 30,386 780 347 Miscellaneous Equipment 10,00% 458,746 457,733 1,678 12,886 649 6 347 Miscellaneous Equipment 10,00% 199,001 109,001 1,678 12,886 649 6 347 Miscellaneous Equipment 10,00% 199,001 1,678 1,678 17,882 7,582 348 Other Tangble Plant 10,00% 4,711,519 (12) (388,845) 4,342,450 420,166 (144,553) 275,615 1,742	344 Lebration Equipment 10,00% 3,285 3,285 3,285 3,285 3,285 3,285 3,285 3,285 3,285 30,386 30,386 30,386 30,386 30,386 30,386 30,386 30,386 30,386 30,386 30,386 30,386 30,386 30,386 30,386 30,386 457,373 1,678 12,886 450,582 450,582 347 Obstantial control of plant in a contro	2		•	5.00%	45,101	,	,	-	45.403			. ;	:					,	
345 Power Operation 5,00% 38,380 30,380 760 346 Commission Equipment 10,00% 458 746 457,373 1,678 12,986 449 347.1 Mecellamous Equipment - CHG Plant 333% 198,001 109,001 450,373 1,678 12,986 449 346 10,00% </th <th>345 Power Operatod Equipment 5,00% 38,350 30,389 30,389 340 Commission Equipment 10,00% 458 746 427,373 1,678 12,846 347, Mercellamous Equipment 10,00% 108,001 109,001 457,373 1,678 12,846 347, Mercellamous Equipment 3,33% 100,00% 108,001 450,567 450,567 346 Other Tampible Plant 10,00% 4,711,519 (121) (388,848) 4,342,450 420,168 (144,553) 275,615 1,078,481 (0)</th> <th>2</th> <th></th> <th></th> <th>10.00%</th> <th>3,285</th> <th></th> <th></th> <th></th> <th></th> <th>3</th> <th></th> <th>500.</th> <th>9c1.9c</th> <th>1</th> <th>,</th> <th>479</th> <th>8,553</th> <th>320,178</th> <th>127,547</th>	345 Power Operatod Equipment 5,00% 38,350 30,389 30,389 340 Commission Equipment 10,00% 458 746 427,373 1,678 12,846 347, Mercellamous Equipment 10,00% 108,001 109,001 457,373 1,678 12,846 347, Mercellamous Equipment 3,33% 100,00% 108,001 450,567 450,567 346 Other Tampible Plant 10,00% 4,711,519 (121) (388,848) 4,342,450 420,168 (144,553) 275,615 1,078,481 (0)	2			10.00%	3,285					3		500.	9c1.9c	1	,	479	8,553	320,178	127,547
346 Communication Equipment 10,00% 457,746 457,373 1,678 12,866 760 347. Miscellaneous Equipment 10,00% 108,001 457,373 1,678 12,866 649 347. Miscellaneous Equipment 33,3% 108,001 1,678 12,866 1,678 12,866 346 Other Tangole Plant 10,00% 1,00% 1,00% 1,578 1,586 1,586 A Non-Circle 10,00% 4,711,519 (121) (388,848) 4,342,450 4,20,168 1,144,553) 275,615 1,078,431	346 Cormanication Equipment (10,00%) 458,746 458,746 458,743 1,679 1,579 1,679 12,886 347 Medelaneous Equipment (10,00%) 198,001 1,000% 198,001 1,000% 198,001 1,000% 198,001 1,000% 198,001 1,000% 198,000% 198,000 1,000% 198,000% 198,000 1,000% 198,000% 198,000 1,000% 198,000 1,000% 198,000 1,000% 198,000 1,000% 198,000 1,000% 198,000 1,000% 198,000 1,000% 198,000 1,000% 198,000 1,000% 198,000 1,000% 198,000 1,000% 198,000 1,000% 198,000	S		_	\$ 00%	35,350				207.6			ı					Š	3,285	\$
347 Miscellaneous Equipment 1000% 108.001 1000% 108.001 1000% 108.001 1000% 108.001 1000% 108.001 1000% 108.001 1000% 108.001 1000% 108.001 1000% 108.001 1000% 108.001 1000%	347 Mitcellaneous Equipment 10,00% 109,001 10,00% 109,001 10,00% 109,001 10,00% 109,001 10,00% 109,001 10,00% 109,001 10,00% 10,	뜻		_	10.00	24.7 24.9	•		1	065,95			٠	30,389			992	2,561	101 287	200
347.1 Mercelaniscus Equipment CNG Plant 1000% 348 Other Tampbe Plant 1000% Rounding TOTALS TOTALS TOTALS	347.1 Macchanicus Equipment CNG Plant 1000% 348 Other Tangobe Plant 1000% Rounding TOTALS (121) (388,945) 4.342,450 420,168 (144,553) 275,615 1,078,491 (0)	9			2000	0 100	•		957	457,373	1,678		1.678	12,986	•		970	£ 400	805.878	
346 Other Tangble Plant 10.00%	3.35. 450,582 3.46 Other Tangoble Plant Rounding TOTALS TOTALS	;			500	100.801			ı	109,001		,					1	967.00	10000	300,033
348 Other Templos Plant 10,00% 430,00% 7,502 Rounding Rounding TOTALS TOTALS (121,1519 (121) (388,848) 4,342,450 420,168 (144,553) 275,815 1,078,481 mm	348 Offer Templose Phant Rounding TOTALS TOTALS (121) (368.948) 4.342.450 420.168 (144.553) 275,615 1,078,491 (0)	3	Š		3.33%						•			150	,	•		9	770,290	109,329
Rounding TOTALS TOTALS (121) (388.848) 4.342,450 420,168 (144,553) 275.815 1.078.481 AN AMERICAN ACCOUNTS	Rounding TOTALS TOTALS (121) (366:845) 4.342,450 420,168 (144,553) 275,615 1,078,491 (0)	ä	3		¥00.04	•				,				450,562			7,502		450,582	7,502
TOTALS (121) (388.848) 4.342,450 (144,553) 275.815 (.078.481	TOTALS (121) (368848) 4.342,450 420,168 (144,553) 275,615 1,078,491 (0)	¥		Rounding							•		•				1	15,538	155,378	116,534
TOTALS (171.519 (121) (386.848) 4.342.450 420.168 (144.553) 275.815 4.078.491 III III	TOTALS (121) (368,848) 4,342,450 420,168 (144,553) 275,615 1,078,491 (0)	35		•	-						,						,	1		•
(121) (300,848) 4,342,450 420,188 (144,553) 275,845 1078,481	(12.) (300,845) 4,342,350 4,20,168 (144,553) 275,615 1,078,491	8		TOTALS	1	4711510		14.547	1,000											
(A) (A)	l	1			1	200		(151)	(305,845)	4.342.450	420,168	(144,553)	275,615	1.070,491		Q	28 287	D47.97+	17 +25 TO	14 350 001

Liberty (Vilkies (Belia Vista Waler) Corp. Test Year Ended December 31, 2014 Orginal Cost Rate Base Proforma Adjustments Adjustmen Number 2

Accumulated Depreciation

Exhibit Settlement Schedule B-2 Page 4 Wilness: Bourasse

쉵~			•	•	1	,	Adjustments	-				
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, ·]	Adjusted				, and					Adjushments	Settlement
		Accum.	Plan	Unsupported	Plant	Acidillon				i	to Reconcile	Adjusted
۰.	No. Description	Peg	Reclass	Plan	True-Up	Correction	Retirements	Corporate	PTY Plant		AO ta	Accum
۰,	-	•					OTHER DESIGNATION OF THE PERSON OF THE PERSO		CONTRACTOR OF	a	Reconstruction	Debi
- =		125,028									•	
o	302 Franchise Cost	•	•	•	•	•				(129,028)	•	•
, ç		•		•		,					•	
: =			•	,		٠						
: 2	305 Collection and Improvements	870,543	(20,279)	•	(2,728)	,			107		, •	. :
		R82.'8		,					·		,	848,130 0 Test
*		201 402	, 46		. '		•				• 1	6.788
5			(087'c)	•	જ	•			282		• •	. COT
€		. A. A. A.			, 8	٠	•		,		•	96,436
~		17			7				•		•	26.1
2		2.288.780	27 392	, (80	, €	•			6,332			877.8
2 :		23,722	(23,722)	(a)	€ ,	•	(36,183)		5,227		•	2,284,407
æ		. •	17.886	•	É				•		0	ē
	_		18.526		Ŷ	•			13			12.707
E :		1,130,151	(1.130.153)	•		•	•		630		•	17,157
3		•	834,771		٤		ı		•		-	ê
 Z !	-	•	194,528		₹ .		,				•	934,77
8 9		4,991,849	11,767		. 5	•	. :		• !			194,526
e t		1,064,571			2 8	•	1,324		907		•	5,005,354
- 4		1,256,602			(4.171)	200	. 444		R2/'-		•	1,066,262
	COST INVOICEMENT	395,469				francis.			2,427		•	1,392,121
				•		,	•		ন		•	386,500
· -	340 Office Frontisco and Flatters	58,367	•	•	•	٠					•	•
	_	163,523	(18,328)		Ę	•	•		2		•	28°83
		180,218	48,958		14	•			248			147,198
•		913/403	•		3,826		1					238,472
10		127 088	•		. '		•		•			C Code
., eo		7			ь				BZ 7		1	127 547
		15.936							•		•	1
		359,650			. 2	• •	•		29			16,895
	34/ Miscellaneous Equipment	109,329							879		•	380,331
, "	247. I Miscellaneous Equipment - CNG Plant 248 - Other Tenedick Disc.			•		•			. 2		•	109,329
-		116,534				•			706'1			7,502
. ~		14,303,290	25,860	(801)	(3.029)	(5,965)	108,371		28.297	(125 026)		118,534
5		•									•	130 BCC*+1
ۍ . -		1,80						1				•
~ 5	940 Office Furniture and Fixtures	2,045						3,826				13,730
	SHOT COMPURERS and Somware	58,133						12.718				2,571
								į				70,851
	TOTALS	\$ 14,375,372 \$	\$ 098'99	\$ (108)	(3.029)	\$ (5.985)	(5.985) \$ 108.371 ¢	14.070	100 00			. ,
¥	Accumulated Depraciation per Books								8 35 9	8 (920°CZL)	~	4 \$ 14,448,152
<u>§</u>											-4	\$ 14,375,372
!	cess (secsion) in accumulated Deprecia	<u> </u>									_	
Ş	Adjustment to Accumutated Depreciation										7	10,101

RECAP SCHEDULES B-2, page 2

SUPPORTING SCHEDULES B-2, pages 4.1 to 4.9

\$ 70,781

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - A

Exhibit Settlement Schedule B-2 Page 4.1 Witness: Bourassa

Line)										
No.											
1	Plant	Reclass									
2											
3										2014	
4	Acct.		Depr	Depr.	Оерг.	Depr.	Depr.	Depr.	Depr.	320/330	D
5	No.	<u>Description</u>	Rate	2009	2010	<u>2</u> 011	2012	2013	2014		Depr.
6	301	Organization Cost	0.00%		-	<u> </u>	2012	2013	2014	Reclass	<u>Total</u>
7	302	Franchise Cost	0.00%	-	_	-	_		-		• •
8	303	Land and Land Rights	0.00%	_	-	_	_	_	-		•
9	304	Structures and improvements	3.33%	(1.275)	(3,401)	(3,686)	(3,972)	(3,972)	(3,972)		(00 000)
10	305	Collecting and Impounding Res.	2,50%	-	,-,,	(5,555)	(0,5.2)	(3,512)	(3,872)		(20,279)
11	306	Lake River and Other Intakes	2.50%		-	_	_		-		•
12	307	Wells and Springs	3.33%		(811)	(1,336)	(1,050)	(1,050)	(1,050)		· • • • • • • • • • • • • • • • • • • •
13	308	Infiltration Galleries and Tunnels	6.67%	_	-	(.,,	(1,000)	(1,050)	(1,050)		(5,296)
14	309	Supply Mains	2.00%	-	-	_	_		•		•
15	310	Power Generation Equipment	5.00%	-	_	_	_	-	-		•
16	311	Electric Pumping Equipment	12.50%	-	3,044	6,087	6,087	6,087	6.087		-
17	320	Water Treatment Equipment	3.33%	_	_,	0,00.	(239)	(755)	(1,103)	(04.004)	27,392
18	320.1	Water Treatment Plant	3.33%	-	-	_	(200)	(133)	(1,103)	(21,624) 17,696	(23,722)
19	320.2	Chemical Solution Feeders	20.00%	_	-		1,435	4,537	6,626		17,696
20	330	Dist. Reservoirs & Standpipe	2.22%	(156)	(1,650)	(2,881)	(2,903)	(2,903)		3,928 (1,112,008)	16,526
21		Storage tanks	2.22%	875	2,333	2,333	2.333	2,333	7.047	917,519	(1,130,153)
22		Pressure Tanks	5.00%	•	-	5	11	2,333	1,047	917,519 194,489	934,771
23	331	Trans, and Dist. Mains	2.00%	127	1,428	2,534	2,552	2.552	2,573	184,469	194,526
24		Services	3.33%	_	-	-,	2,002	2,552	2,313		11,767
25	334	Meters	8.33%	-	-	_	_	-	-		-
26		Hydrants	2.00%		-		_	_	-		-
27		Backflow Prevention Devices	6.67%	-	_	-	_		-		_
28		Other Plant and Misc. Equip.	6.67%	-	_	_	_	_	-		-
29	340	Office Furniture and Fixtures	6.67%	-	_	-	(2,504)	(6,274)	(7,550)		-
30		Computers and Software	20.00%	-	-	_	7.507	18,813	22,638		(16,328)
31		Transportation Equipment	20.00%	-	-	-	,,,,,,		22,030		48,958
32	342	Stores Equipment	4.00%	•	_	-					-
33		Tools and Work Equipment	5.00%	-		_	_	_	-		•
34		Laboratory Equipment	10.00%	-	-	-	_	_	-		-
35	345	Power Operated Equipment	5.00%			_	_		-		-
36	346	Communications Equipment	10.00%	-	_		_	_	-		-
37	347	Miscellaneous Equipment	10.00%	-	_	-	_	-	<u>-</u>		-
38	347.1	Miscellaneous Equipment - CNG Plant	3.33%	-	_		_	-	-		-
39	348	Other Tangible Plant	10.00%	-	_	-		-	_		-
40							-	-	-		-
41		TOTALS	_\$	(439) \$	942 \$	3,056 \$	9,257 \$	19,378 \$	23.666	<u> </u>	\$ 55,860
42			=			· ·			20,000	• •	2 20,560

42
43
44 SUPPORTING SCHEDULE
45 Work papers
46

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - B

Exhibit Settlement Schedule B-2 Page 4.2 Witness: Bourassa

Line	•									
No.										
1	Unsi	upported Plant								
2										
3										
4	Acc	t .	Depr	Depr	Depr	Depr	Depr	Depr	D	_
5	No.	Description	Rate	2009	2010	2011		•	Depr	Depr
6	301		0.00%	2000	2010	<u> 2011</u>	<u>2012</u>	2013	2014	<u>Total</u>
7	302	Franchise Cost	0.00%	_	_	•	•	-	- \$	-
8	303	Land and Land Rights	0.00%	_	-	-	•	-	•	-
9	304	Structures and Improvements	3.33%	_	-	•	-	•	-	-
10	305		2.50%	_	-	•	-	-	-	-
11	306		2.50%	_	-	-	-	-	-	-
12	307		3,33%	-	-	-	-	-	-	-
13	308	. •	6.67%	-	-	-	-	-	-	-
14	309		2.00%	-	-	•	•	-	•	-
15	310	• • • • • • • • • • • • • • • • • • • •	5.00%	-	•	-	-	-	-	-
16	311		12.50%	-	(90)	4430)	-	-	-	•
17	320		3.33%	-	(89)	(178)	(178)	(178)	(178)	(801)
18	320		3.33%	-	-	-	-	-	-	-
19	320		20.00%	-	-	•	-	-	-	-
20	330		2.22%	-	•	-	-	-	-	-
21	330		2.22%	-	•	•	-	-	-	-
22	330		5.00%	-	•	-	-	-	-	-
23	331	Trans. and Dist. Mains	2.00%	-	-	-	-	-	-	•
24	333		3.33%	-	-	-	-	-	-	-
25	334	Meters	8.33%	-	-	-	-	-	=	•
26	335		2.00%	•	•	-	-	-	-	-
27	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-
28	339	Other Plant and Misc. Equip.	6.67%	-	-	-	-	-	•	-
29	340	Office Furniture and Fixtures	6.67%	•	•	-	-	-	•	-
30	340	Computers and Software	20.00%	-	-	-	-	-	•	-
31	341	Transportation Equipment	20.00%	-	-	•	-	-	•	-
32	342	Stores Equipment	4.00%	-	-	-	-	-	-	-
33	343		5.00%	-	-	-	•	-	-	-
34	344	Laboratory Equipment	10.00%	•	•	-	-	•	•	-
35	345	Power Operated Equipment	5.00%	-	-	-	-	•	-	-
36	346	Communications Equipment	10.00%	-	-	-	-	-	-	-
37	347	Miscellaneous Equipment	10.00%	•	-	-	-	-	-	=
38		Miscellaneous Equipment - CNG Plant	3.33%	-	-	-	-	-	•	-
39	348	Other Tangible Plant	3.33% 10.00%	-	-	-	-	•	-	•
40		and a series of the series	10.0070	-	-	-	-	-	-	-
41		TOTALS	\$	-	\$ (89) \$	(476) -	1			
42		- w - · · · · · · · · · · · · · · · · ·	-3-		\$ (89) \$	(178) \$	(178) \$	(178) \$	(178) \$	(801)
74										

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43
44
SUPPORTING SCHEDULE
45
Work papers
46

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - C

Exhibit Settlement Schedule B-2 Page 4.3 Witness: Bourassa

Line	8									
No	L									
1		Accrual Adjustment								
2										
3										
4	Acct	•	Depr	Depr	Depr	Depr	Depr	Depr	Depr	Depr
5	No.	Description	Rate	2009	2010	2011	2012	2013	•	P
6	301	Organization Cost	0.00%			2011	2012	2013	2014	Total
7	302	Franchise Cost	0.00%	_	_	_	_	-	- \$	-
8	303	Land and Land Rights	0.00%	_	_	_	_	-	-	-
9	304	Structures and Improvements	3.33%		_	_	_	-	(2,728)	(0.700)
10	305		2.50%	-	_	_	_	-	(2,720)	(2,728)
11	306	Lake River and Other Intakes	2.50%		_	_		-	•	•
12	307		3.33%	_	_		_	-	· (E)	- (5)
13	308	Infiltration Galleries and Tunnels	6.67%	_	_	_	_	•	(5)	(5)
14	309	Supply Mains	2.00%			_	-	-	-	-
15	310	Power Generation Equipment	5.00%		_	-	-	-	22	22
16	311	Electric Pumping Equipment	12.50%	-	_	_	-	•	- 100	
17	320	Water Treatment Equipment	3.33%	_	_	_	_	-	(8)	(8)
18	320.1	Water Treatment Plant	3.33%	_	_		-	•	- (0)	
19		Chemical Solution Feeders	20.00%	_	_	_	-	•	(2)	(2)
20	330	Dist. Reservoirs & Standpipe	2.22%	-		_	_	-	-	-
21	330.1	Storage tanks	2.22%		_	_	_	-	- (0)	- (*)
22	330.2	Pressure Tanks	5.00%	_		_	_	-	(0)	(0)
23	331	Trans. and Dist. Mains	2.00%	-		_	_	-	- 13	-
24	333	Services	3.33%			_	_	-		13
25	334	Meters	8.33%	_	_	_	_	-	(36)	(36)
26	335	Hydrants	2.00%	-	-	_	_	-	(4,171)	(4,171)
27	336	Backflow Prevention Devices	6.67%	_	_	_	_	_	-	-
28	339	Other Plant and Misc. Equip.	6.67%	_	-	_	_	-	-	-
29	340	Office Furniture and Fixtures	6.67%	-	_	_		-	(17)	4470
30	340.1	Computers and Software	20.00%	-	_	_	-		47	(17)
31	341	Transportation Equipment	20.00%	-		_	_		3.826	47
32	342	Stores Equipment	4.00%	-		-	_	-	3,020	3,826
33	343	Tools and Work Equipment	5.00%		-	_	_		. 0	• •
34	344	Laboratory Equipment	10.00%	-	-	_	_	_	U	0
35	345	Power Operated Equipment	5.00%	_	-	_	_	-	-	-
36	346	Communications Equipment	10.00%		_	_	_	-	31	-
37	347	Miscellaneous Equipment	10.00%	-	_	-	-	•	31	31
38	347.1	Miscellaneous Equipment - CNG Plant	3.33%	-	_	_	_	•	-	•
39	348	Other Tangible Plant	10.00%	-	_	-	-	-	-	•
40		-				-	-	-	•	-
41		TOTALS	-5		\$ -	\$ -	\$ -	\$ -	\$ (3,029) \$	(2.020)
42						· · · · · · · · · · · · · · · · · · ·			\$ (3,029) \$	(3,029)

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43
44 SUPPORTING SCHEDULE
45 Work papers
46

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - D

Exhibit Settlement Schedule B-2 Page 4.4 Witness: Bourassa

Line	9									
No.	<u>.</u>									
1	Plant	Addition Correction								
2										
3										
4	Acct	,	Depr	Depr	Depr	Depr	Depr	Depr	Depr	Depr
5	<u>No.</u>	Description	Rate	2009	2010	2011	2012	2013	2014	Total
6	301	Organization Cost	0.00%		-	==	<u> </u>	2010	<u> 2014</u> - \$	Total
7	302	Franchise Cost	0.00%	-	-	_	-	_	- •	•
8	303	Land and Land Rights	0.00%	-	-	_	_	_	-	-
9	304	Structures and Improvements	3.33%	-	_	_		_	_	-
10	305	Collecting and Impounding Res.	2.50%	-	-	_	_	_	-	-
11	306	Lake River and Other Intakes	2.50%	-	_	-	-	_	_	-
12	307	Wells and Springs	3.33%	-	-	-	_		-	~
13	308	Infiltration Galleries and Tunnels	6.67%	-	-	_		_	· -	-
14	309	Supply Mains	2.00%	-	_	-	_	_	-	•
15	310	Power Generation Equipment	5.00%	-	_	-	_	_	-	-
16	311	Electric Pumping Equipment	12.50%	-	-	_		_		-
17	320	The state of the s	3.33%	_	-	_	_	_		-
18		Water Treatment Plant	3.33%	-	-	-	_	_	-	-
19		Chemical Solution Feeders	20.00%	-	_	-	-	-	_	-
20	330	- in the same a otal tapipe	2.22%	-	-	-	-	_	_	-
21		Storage tanks	2.22%	-	-	-	_	_	-	•
22		Pressure Tanks	5.00%	-	-	_	-	_	_	•
23	331	The state of the s	2.00%	-	-	_	_	_	_	-
24	333	Services	3.33%	•	-	-	_	_	_	•
25	334	Meters	8.33%	-	_	-	-	-	(5,965)	(5,965)
26	335	Hydrants	2.00%	•	-	-	-	_	(0,500)	(3,503)
27	336	Backflow Prevention Devices	6.67%	-	-	-	_	_	_	_
28	339	Other Plant and Misc. Equip.	6.67%	-	-	-	_	-	_	
29	340	Office Furniture and Fixtures	6.67%	-	-	_	-	_	_	-
30		Computers and Software	20.00%	-	-	_	•	_	_	_
31	341	Transportation Equipment	20.00%	-	-	-	_	-		-
32	342	Stores Equipment	4.00%	-	-	_		_	_	_
33	343	Tools and Work Equipment	5.00%	-	•	_	-	_	_	-
34	344	Laboratory Equipment	10.00%	-	-	-		_	_	-
35	345	Power Operated Equipment	5.00%	-	-		-	_		-
36	346	Communications Equipment	10.00%	-	-	•	_	-		-
37	347	Miscellaneous Equipment	10.00%	-	-	-	-		_	-
38	347.1	Miscellaneous Equipment - CNG Plant	3.33%	•	-	-		_	-	-
39	348	Other Tangible Plant	10.00%	-	-	-	•	-	-	_
40									-	-
41		TOTALS	3		- :	s -	\$ -	S -	\$ (5,965) \$	(5,965)
42			_						. , . , ,	(0,000)

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44 SUPPORTING SCHEDULE
45 Work papers
46

RECAP SCHEDULES: B-2, page 4

Liberty Utilities (Bella Vista Water) Corp.
Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2 - E

Exhibit

Settlement Schedule B-2

Page 4.5

Witness: Bourassa

Line <u>No.</u>			
1	Retirer	ments and Retirements Corrections A/D	
2			
3 4	A and		
5	Acct.		
6	<u>No.</u>	<u>Description</u>	<u>A/D</u>
7	301 302	Organization Cost	•
8	302	Franchise Cost	
9	303	Land and Land Rights	· -
10	305	Structures and Improvements	-
11	305	Collecting and Impounding Res.	-
12	307	Lake River and Other Intakes	-
13	308	Wells and Springs	-
14	309	Infiltration Galleries and Tunnels Supply Mains	•
15	310	Power Generation Equipment	-
16	311	Flectric Dumping Sources	-
17	320	Electric Pumping Equipment Water Treatment Equipment	(36,183)
18		Water Treatment Plant	-
19		Chemical Solution Feeders	-
20	330	Dist. Reservoirs & Standpipe	-
21	330.1		-
22		Pressure Tanks	-
23	331	Trans, and Dist. Mains	-
24	333	Services	1,324
25	334	Meters	-
26	335	Hydrants	143,229
27	336	Backflow Prevention Devices	-
28	339	Other Plant and Misc. Equip.	-
29	340	Office Furniture and Fixtures	•
30	340.1	Computers and Software	-
31	341	Transportation Equipment	•
32	342	Stores Equipment	-
33	343	Tools and Work Equipment	-
34	344	Laboratory Equipment	-
35	345	Power Operated Equipment	-
36	346	Communications Equipment	-
37	347	Miscellaneous Equipment	-
38	347.1	Miscellaneous Equipment - CNG Plant	-
39	348	Other Tangible Plant	-
40		•	-
41		TOTALS	\$ 108.371
42			\$ 108,371
43			
14	CHEBOA	TIMO COUCOULE	

44 SUPPORTING SCHEDULE

45 Work papers

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Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - F

Exhibit Settlement Schedule B-2 Page 4.6 Witness: Bourassa

Line							
<u>No.</u> 1		lant AID					
2	PITE	ant A/D					
3							
4	Acct		Direct		Adjusted		
5	No.	Description	PTY		PTY	Depr	Depr (1/2 Year)
6	301	Organization Cost	Plant Balance	<u>Adjustments</u>	Plant Balance	Rate	PTY
7	302	Franchise Cost	\$ -	\$ -	\$ -	0.00%	\$ -
8	303	Land and Land Rights	-	-	-	0.00%	•
9	304	Structures and Improvements	-	•	•	0.00%	•
10	305	Collecting and Impounding Res.	58,831	(23,323)	35,509		591
11	306	Lake River and Other Intakes	-	•	-	2.50%	-
12	307	Wells and Springs	-		-	2.50%	-
13	308	Infiltration Galleries and Tunnels	3,449	12,291	15,740		262
14	309	Supply Mains	•	-	-	6.67%	-
15	310	Power Generation Equipment	194,402	40.000		2.00%	
16	311	Electric Pumping Equipment	28,402 28,417	18,877	213,279	5.00%	5,332
17	320	Water Treatment Equipment	5,87 6	55,211	83,627	12.50%	5,227
18	320.1	Water Treatment Plant	2,010	(5,876)	_ 0	3.33%	0
19	320.2		-	777	777	3.33%	13
20	330	Dist. Reservoirs & Standpipe	•	6,305	6,305		630
21	330.1		•	•	-	2.22%	-
22	330.2	Pressure Tanks	•	-	-	2.22%	•
23	331	Trans, and Dist. Mains	9,942	30.077	40.040	5.00%	•
24	333	Services	51,303	52,357	40,018	2.00%	400
25	334	Meters	19,002	39,259	103,660	3.33%	1,726
26	335	Hydrants	1,811	1,328	58,261	8.33%	2,427
27	336	Backflow Prevention Devices	-,017	1,520	3,139	2.00%	31
28	339	Other Plant and Misc. Equip.	_	·	-	6.67%	-
29	340	Office Furniture and Fixtures	2,721	(2,137)	- 584	6.67% 6.67%	
30	340.1	Computers and Software	740	1,738	2.478	20.00%	19
31	341	Transportation Equipment		1,700	2,410	20.00%	248
32	342	Stores Equipment	-	_	•	4.00%	-
33	343	Tools and Work Equipment	13,362	5,793	19.156	5.00%	-
34	344	Laboratory Equipment		5,755	19,156	10.00%	479
35	345	Power Operated Equipment	30,352	37	30,389	5.00%	-
36	346	Communications Equipment	10,123	2.863	12,986	10.00%	760
37	347	Miscellaneous Equipment	442,442	(442,442)	12,500	10.00%	649
38	34 7.1	Miscellaneous Equipment - CNG Plant		450,582	450,582	3.33%	7.502
39	348	Other Tangible Plant		-	.00,002	10.00%	7,502
40					-	10.00%	•
41 42		TOTALS	\$ 872,772	\$ 203,719 \$	1,076,491	_	26,297

SUPPORTING SCHEDULE Work papers

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - G

Exhibit Settlement Schedule B-2 Page 4.7 Witness: Bourassa

Line No.								
1		ate Plant A/D						
2 3			[1]	[2]	[3]	[4] = [1]x[2]x[3]		
4	Acct.		Orginal	Liberty Utilities	Rio Rico Water	Allocated	Direct	
5	<u>No.</u>	Description	Cost	Factor	Factor	Orginal <u>Cost</u>	Orginal Çost	Increase
6	903	Land and Land Rights	\$ -	12.94%	11.94%	<u> </u>	COSE	(Decrease)
7 8	904	Structures and Improvments Computers and Software	309,237	12.94%	11.94%	4,778	4,784	(6)
9	340.1	Computers and Software	65,442	12.94%	11.94%	1,011	3,249	(2,238)
10								
11	LU Sub-	-Corp. Plant						
12 13	002	Lond and Lond Dista.						-
14	903 904	Land and Land Rights Structures and Improvments	74.074		11.94%	-	-	-
15	940	Office Furniture and Equipment	74,974 21,535		11.94% 11.94%	8,952	7,120	1,832
16	940.1	Computers and Software	612,134		11.94%	2,571 73,089	2,045 58,133	526
17			- '		11.047	73,000	30,133	14,956
18 19								
20								
21								
22								
23 24								
25								
26								
27								
28								
29 30								
31								
32								
33								
34 35								
36								
37								
38								
39								
40 41		TOTALS						
42		TOTALS				90,401 \$	75,331	\$ 15,070
43								
44	SUPPOR	TING SCHEDULE		RE	CAP SCHEDUL	ES:		
45	Work pap				2, page 4	<u></u>		
46	Testimon	y						

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - H

Exhibit Settlement Schedule B-2 Page 4.8 Witness: Bourassa

Line No. 1 2 3	Remove	⊋ A/D		
4 5 6 7 8	Acct. <u>No.</u> 186	<u>Description</u> Accumulated Amortization	\$	<u>A/D</u> (125,026)
9 10 11 12 13 14		•		
15 16 17 18 19 20				
21 22 23 24 25 26				
27 28 29 30 31				
32 33 34 35 36 37				
38 39 40 41 42 43		TOTALS	\$	(125,026)
44 45	SUPPOR Work pap Testimon	TING SCHEDULE ers y	RECAP SCHEDULES: B-2, page 4	

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - I

Exhibit Settlement Schedule B-2 Page 4.9 Witness: Bourassa

2 3			Adimeted		Settlement		
4	Acct.		Adjusted Orginal	Б.5	Adjusted	Plant	
5	No.	Description	-	B-2	Orginal	Per	
6	108	Accumulated Depreciation	Cost	<u>Adjustments</u>	<u>Cost</u>	Reconstruction	Difference
7	186	Accumulated Amortization	105.006	(405.000)	•	-	-
8	301	Organization Cost	125,026	(125,026)	-	-	-
9	302	Franchise Cost	-	-	-	-	-
10	303	Land and Land Rights	-	-	-	-	-
11	304	Structures and Improvements	- 970 E42	(00.440)		-	-
12	305	Collecting and Impounding Res.	870,543	(22,416)	848,127	848,130	
13	306	Lake River and Other Intakes	8,788	-	8,788	8,788	-
14	307	Wells and Springs	707 407	- (5.000)		•	-
5	308	Infiltration Galleries and Tunnels	797,497	(5,039)	792,458	792,458	-
6	309	Supply Mains	4 020	-		-	-
7	310	Power Generation Equipment	4,838 447	22	4,860	4,860	-
8	311	Electric Pumping Equipment	2,288,780	5,332	5,779	5,779	-
9	320	Water Treatment Equipment	23,722	(4,373)	2,284,407	2,284,407	-
ō		Water Treatment Plant	23,722	(23,722)	(0)	(0)	(
1		Chemical Solution Feeders	-	17,707	17,707	17,707	-
2		Dist. Reservoirs & Standpipe	1,130,151	17,157	17,157	17,157	-
3		Storage tanks	1,130,131	(1,130,153)	(1)	(0)	•
4		Pressure Tanks	-	934,771	934,771	934,771	-
5	331	Trans. and Dist. Mains	4,991,849	194,526	194,526	194,526	-
6	333	Services	1,064,571	13,504	5,005,354	5,005,354	-
7	334	Meters	1,256,602	1,690	1,066,262	1,066,262	-
8	335	Hydrants	395,469	135,519	1,392,121	1,392,121	-
9	336	Backflow Prevention Devices	J53, 4 05	31	395,500	395,500	-
2	339	Other Plant and Misc. Equip.	58.367	•	-		-
1	340	Office Furniture and Fixtures	163,523	/4C 20E)	58,367	58,367	-
2	340.1	Computers and Software	160,219	(16,325)	147,198	147,198	-
3	341	Transportation Equipment	234,219	49,253	209,472	209,472	-
4	342	Stores Equipment	254,219	3,826	238,045	238,045	-
5	343	Tools and Work Equipment	127,068	- 479	407.5.5		-
3	344	Laboratory Equipment	164	· · ·	127,547	127,547	-
,	345	Power Operated Equipment	15,936	- 760	164	164	-
3	346	Communications Equipment	359,650	681	16,695	16,695	-
)	347	Miscellaneous Equipment	109,329		360,331	360,331	-
)	347.1		109,329	7.502	109,329	109,329	-
	348	Other Tangible Plant	116,534	7,502	7,502 116,534	7,502 116,534	-
}		TOTALS 5			,	.,0,007	_

46 <u>SUPPORTING SCHEDULE</u> 47 B-2, pages 4.1 48 B-2, pages 3.9 through 3.14

RECAP SCHEDULES: B-2, page 4

Liberty Utilities (Bella Vista Water) Corp.

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Exhibit Settlement Schedule B-2 Page 5 Witness: Bourassa

Contributions-in-Aid of Construction (CIAC) and Accumulated Amortization

No.					
1					
2					
3			Gross	Ac	cumulated
4			CIAC		nortization
5 6	Computed balance at End of Test Year	\$	1,080,442	\$	337,990
7 8	Adjusted balance at End of Test Year	_\$_	579,988	\$	304,864
9 10	Increase (decrease)	\$	500,454	\$	33,126
11	A.E. A. D. Branch B. B. B.				
12	Adjustment to CIAC/AA CIAC	_\$	500,454	\$	(33,126)
13	Label		3a		3b
14					

SUPPORTING SCHEDULES B-2, page 5.1 to 5.4

Line

RECAP SCHEDULES: B-2, page 2

Liberty Utilities (Balla Vista Water) Corp.
Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Contributions-in-aid of Construction and Amortization
Adjustment 4

Exhibit Settlement Schedule B-2 Page 5.1 Witness: Bourassa

JAC	Details: Bella Vista Northern Sunrise Southern Survise Rate Case Au] - AIAC error Rate Case Au] - AIAC error	Amortization Decision Amortization Rate Amortization Accumulated Amortization
CIAC	Details: Bella Vij Northen Southen Rate Ca Rate Ca	Amortiza Amortiza Amortiza Accumul

Net CIAC

Balance		2009 Defance	2010		2011	-
3/31/2009	Additions	12/31/2009	Additions	12/31/2010	Additions	- 1
542,445	2,000	544,445	1,000	545,445	5,000	
496,445					•	
19,000	2,000		1,000		, 4 000, 4	
542,445	2,000	•	1,000	•	5,000	
230,987						
		2.70% 14,683 245,670		2.67% 14,564 280,234		
311 458	2,000	298,775	1,000	285 211	4 000	- 1

Liberty Utilities (Boila Vista Water) Corp.
Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Contributions-in-aid of Construction and Amortization
Adjustment 4

Settlement Schedule B-2 Page 5.2 Witness: Bourassa

Exhibit

Details:
Bella Vista
Northern Sunrise
Southern Sunrise
Rate Case Adj - AIAC error
Rate Case Adj - AIAC error
Total Amortization Decision Amortization Rate Amortization Accumulated Amortization CIAC

Net CIAC

Decision		2009	2012	2	2013	13	2044	
3/31/2009	Additions	Balance 12/31/2009	Additions	Balance 12/31/2012	Advillane	Balance		
					and and	010211073	Additions	12/31/2014
542,445	2,000	544,445	8,277	558,721	2,495	561,216	519,226	1,080,442
496,445 27,000 19,000	2,000		8,277		2,495		519,226	
542,445	2,000	1	8,277	•	2,495	•	519,226	•
230,987		2.70% 14,683 245,670		2.74% 15,294 290,083		2.89% 16,194 306,278		2.94% 31,713 337,990
311,458	2,000	298,775	8,277	268,638	2,495	254,939	519 226	745 452

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment 4 Advances-in-Aid of Construction (AIAC)

Exhibit Settlement Schedule B-2 Page 6 Witness: Bourassa

	Advances-in-Aid of Construction (AIAC)		
Line			
<u>No.</u>			
1			
2			
2 3			
4	Computed balance at End of Test Year	\$	0.505.004
5	outpasse selection of feet feet	4	8,595,621
5 6	Adjusted balance at End of Test Year		5444645
7	Aujusted balance at End of 1650 1630	_\$_	9,114,847
, -	((d)		
8 9	Increase (decrease)	\$	(519,226)
10			
11			
12			
13			
14			
15			
16			
17			
18	OUDDODTHIO COULT III		
19	SUPPORTING SCHEDULES	REC	AP SCHEDULES:
20	B-2, page 6.1	B-2,	page 2
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Advances-in-Aid of Construction (AIAC)

AIAC

Total AIAC

Per Prior Decision

AIAC Customer Meter Deposits Total Per Decision

6,773,640 7,803 6,781,443

Settlement Schedule B-2 Page 6.1 Witness: Bourassa Exhibit

Decision (1)	20	2009	2010		2011		_
Balance 3/31/2009	Activity	Balance 12/31/2008	Activity	Balance 12/31/2009	Activity	Balance 12/31/2010	
6,773,640	242,021	7,015,662	402,270	7,417,932	916,055	8,333,987	
6,773,640	242,021	7,015,662	402,270	7,417,932	916,055	8,333,987	

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Advances-in-Aid of Construction (AIAC)

	AIAC		Total AIAC	Per Prior Decision AIAC	Customer Meter Deposits Total Per Decision
No. 1 2 2 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	2007	. B & C ;	<u> </u>	15 16	17 18 19 20

2012		2013			2014	
Activity	Balance 12/31/2011	Additions	Balance 12/31/2012	Additions	Reclass	Balance 12/31/2012
620,553	8,954,540	(1,516)	8,953,024	161,823	(519,226)	8,595,621
620,553	8,954,540	(1,516)	8,953,024	161,823	(519,226)	8,595,621

Liberty Utilities (Bella Vista Water) Corp.
Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment 5

Exhibit Settlement Schedule B-2 Page 7.0 Witness: Bourassa

Vitness: Bourassa			Tax	Current Non Current			(2,545,143)	(389,816)		- \$ (2 934 959)														
ľŠ			- E	Current Non Current			•	•	\$ 1,118,427	\$ 1,118,427 \$		\$ (1,816,531)	1.0000	\$ (1,816,531)	\$ (17,555)	\$ (1,834,086)	\$ (381,189)	\$ 1,452,897	•					B-2, page 2
		Effective	Tax	Kate			32.55%	4.900%	37.445%															
	,	(Taxable TD)	Expected to	Dezilean eg			\$ (7,820,342)	\$ (7,955,428)	\$ 2,986,841 4															
Adjustment 5	4	of Realization	of Future	TEN DELIGITE			400.0%	100.0%	100.0%															
	31, 2014		Water & Sewer	200			\$ 7,495,583 2	\$ 7,360,497 *	2,986,841 4															
	Deferred income Tax as of December 31, 2014	Water & Sewer	Adjusted Book Value	\$ 36,434,313	(14,359,001)	(6,759,387)	\$ 15,315,925	\$ 15,315,925						Water Division	• ADIT⁵	y) Water Division	per Direct				Je 7.1			
	Deferred income			Plant-in-Service	Accum. Deprec.	CIAC	Fixed Assets	Fixed Assets	AIAC			Net Asset (Liability)	Altocation Factor	Net Asset (Liability) Water Division	Allocated Corporate ADIT ⁵	Total Asset (Liability) Water Division	DIT Asset (Liability) per Direct	Adjustment to DIT			Footnotes - See page 7,1			
Line	- n	en •	w •	€	~	5 0	9 Fed.	11 State 12	13 Fed & State AIAC	क्ष	12	8 6	20	23 23	3.2	25e 27	: ខ ខ	888	នេះខេះ	3		8 8 9 8 0	41	5 4 5 5

Liberty Utilities (Bella Vista Water) Corp.
Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment 5

Exhibit Schedule B-2 Page 7.1 Witness: Bourassa

Per adjusted book balances, land not included and corporate plant not oncluded

2 Computation of Net Tax Value December 31, 2014

Based on 2014 Tax Depreciation report
Adjusted Cost at December 31, 2014 per federal and state tax depr. report
Recornding Items not on tax report
PTY Plant as revised
PTY Plant as revised

Net Unadjusted Cost tax Basis at December 31, 2012

Reductions Accumulated Depreciation

PTY Plant

Net Reductions through December 31, 2012 Net tax value of plant-in-service at December 31, 2012 ³ CIAC (including impact of change to probability of realization) Gross CIAC per adjusted book balances CIAC reductions/additions

:IAC reductions/additions A.A per adjusted book balances

Net CIAC before unrealized AIAC

Unrealized AIAC Component
AIAC per adjusted book balances
Adjusted Net AIAC (see footnote 5 below)
Unrealized AIAC Component % (1-Realized AIAC Component)

Total restizable CIAC

* AIAC (including impact of change in probability of realization) AIAC per adjusted book balances Less: Unrealized AIAC (from Note 3, above)

Subjection

Subvices.

Meler and Service Line installation Charges per adjusted book balances.
Total realizable AIAC.

8 See work papers

	\$ 22,412,040	1,078,491	 \$ 23,489,531	(23,576)	(16,128,034)
CONTRACTOR DERANGE CONTRACTOR DESCRIPTION			s 19,143,875		(11,648,291)
	\$ 18,067,384	1,076,491	\$ (11,624,715)	(23,576)	

\$ 1.080,442

(337,990)

(337,990) \$ 742,452

\$ 8,595,621 70,0% \$ 5,016,93 \$ 6,759,38 \$ 8,595,621 \$ (6,016,934) \$ 2,578,686 408,155 \$ 2,986,841

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Cash Working Capital

Exhibit Settlement Schedule B-5 Page 1 Witness: Bourassa

								ļ
N - 2 6 4	e Description	Proforma Test Year <u>Amount^í</u>	Revenue Lag (Lead) <u>Davs</u>	Expense Lag (Lead) <u>Days</u>	Net Lag (Lead) <u>Davs Col. C - Col. D</u>	Lead/Lag Factor <u>Col. E/365</u>	Cash Working Capital Required	
R) (D	€	(9)	<u>(</u>)	<u>Q</u>	(E)	Œ)	(9)	
^	OPER							
E	Salaries an	•	42.63	ı	42.63	0.11679452	•	
o	Purchased	\$ 3,021	·	24.34	18.29	0.05010959		
£ :		531,690		32.09	10.54	0.02887671	55	
Ξ:		16,637		(24.00)		0.18254795	3.037	
12	Fuel for Pow	•	42.63		42.63	0.11679452	;	
13		•	42.63	16.11	26.52	0.07265753	•	
4 ,		39,640		39.26	3.37	0.00923288	366	
t i	Outside Ser	•		•	42.63	0.11679452		
9 !	Contractual	1,021,201		19.92	22.71	0.06221918	63,538	
- 4	Contractual	90,350		26.06	16.57	0.04539726	2,286	
20 (Contractual	787,602		22.70	19.93	0.05480274	43,005	
2 6		•		•	42.63	0.11679452	. •	
₹ 7		6,162		(6.12)	48.75	0.13356164	823	
Z 8		105,295		25.37	17.26	0.04728767	4.979	
3 8	Insurance	45,568	•	•	42.63	0.11679452	5,322	
S C		63,090		16.11	26.52	0.07265753	4.584	
7 6		150,240		(8.28)	50.91	0.13947945	20,955	
, 15 15 15 15 15 15 15 15 15 15 15 15 15 1	Interest Expense	108,189	42.63	90.00	(47.37)	(0.12978082)	(14,041)	
2 2								
28							-	
53	TAXES							
30		158,572	42.63	213.96	(171,33)	(0.46939269)	(74 433)	
9				•	42.63	0.11679452	•	
32	Income Tax1	468,581		37.00	5.63	0.01542488	acc 7	
8		•				0.01044100	077'1	
8	OTHER							
35	Regulatory Commission Expense	٠	42.63	(136.54)	179.17	0.49088128	•	
9 6	TOTAL	İ						
2 6		3,555,838		NORKING CA	WORKING CASH REQUIREMENT		\$ 83,155	
}			•	YT GTSUCGY	ADJUSTD TY CASH WORKING CAPITAL	ITAL	160 647	
						!		

'At proposed rates.

8 4 4 4 4

RECAP SCHEDULES: B-2. page 2

\$ (77,492)

INCREASE(DECREASE)

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Income Statement

Exhibit Settlement Schedule C-1 Page 1 Witness: Bourassa

Line <u>No.</u> 1	Revenues		Test Year Adjusted <u>Results</u>	A	djustment		Settlement Test Year Adjusted <u>Results</u>		Proposed Rate Increase		Adjusted with Rate Increase
2	Metered Water Revenues	s	4,530,252	\$	(44.000)	_	4 545 004	_		_	
3	Unmetered Water Revenues	4	4,030,232	Ð	(14,388)	Þ	4,515,864	\$	958,954	\$	5,474,818
4	Other Water Revenues		94,478		_		94,478				04.470
5	···	<u> </u>	4,624,730	<u>s</u>	(14,388)	s	4,610,342	4	958,954	s	94,478 5,569,296
6	Operating Expenses	•	.,== .,	•	(11,000)	•	4,010,042	•	300,334	Þ	5,569,290
7	Salaries and Wages	\$	_		-	5				\$	_
8	Purchased Water		3,021		-	Ť	3,021			Ψ	3.021
9	Purchased Power		534,813		(3,123)		531,690				531,690
10	Chemicals		16,800		(162)		16,637				16,637
11	Fuel for Power Production		· <u>-</u>		-		,				10,047
12	Repairs and Maintenance		_				-				-
13	Office Supplies and Expense		39,640		-		39,640				39,640
14	Outside Services		-		-		-				00,040
15	Contractual Services - Professional		1,209,810		(188,610)		1.021.201				1,021,201
16	Contractual Services - Testing		89,695		(39,345)		50,350				50,350
17	Contractual Services - Other		673,384		114,218		787,602				787,602
18	Water Testing		•		-		-				
19	Rents		6,162		-		6,162				6.162
20	Transportation		105,295		-		105,295				105,295
21	Insurance		45,568		-		45,568				45,568
22	Regulatory Commission Expense		52,111		-		52,111				52,111
23	Materials and Supplies		63,090		-		63,090				63,090
24	Miscellaneous		152,340		(2,100)		150,240				150,240
25 26	Depreciation		1,175,263		(3,811)		1,171,452				1,171,452
26 27	Taxes Other Than Income		-		-		-				-
28	Property Taxes Income Tax		148,997		(1,051)		147,946		10,626		158,572
20 29	income rax		55,166		58,312		113,478		355,103		468,581
30	Total Operating Function										
	Total Operating Expenses Operating Income	\$	4,371,156	<u>\$</u>	(65,673)		4,305,484	\$	365,729	\$	4,671,213
	Other Income (Expense)	\$	253,574	\$	51,285	\$	304,858	\$	593,225	\$	898,084
33	Interest and Dividend Income										
34	AFUDC Income		57.040		-		<u>-</u>				-
35	Miscellaneous Non-Utility Expenses		57,346		-		57,346				57,346
36	Interest Expense		(849)		-		(849)				(849)
37	merest Expense		(137,466)		29,277		(108,189)				(108,189)
	Total Other Income (Expense)	_	(00.000)				-				-
	Net Profit (Loss)	3	(80,969)	\$		<u>\$_</u>	(51,692)			\$	(51,692)
40	(2000)	<u> </u>	172,604	\$	80,562	2	253,166	\$	593,225	\$	846,391
41	SUPPORTING SCHEDULES:										-
42	C-1, page 2								AP SCHED	ULE	<u>.S:</u>
43	E-2							A-1			
44	—- <u>-</u> -										

Liberty Utilides (Bella Vista Water) Corp.
dba Liberty Utilities
Test Year Ended December 31, 2014
income Stetement

Exhibit Settlement Schedule C-1 Page 2.1 Wilness: Bourassa

Monte Mont	Adjusted Results Results Revenues \$ 4,530,252 Revenues \$ 4,624,730 Revenues \$ 39,640 Revenues \$ 30,590 Reven	Depreciation \$	•	Rate Expense		18 E	1	Contractual	Cost Adj.
Provincion Pro	Results	Sepreciation \$	*	Case Expense		8		Services	Non-Labor
\$ 4,500,202 \$ (14,309) \$ \$ (14,309) \$ \$ (14,309) \$ \$ \$ (14,309) \$ \$ \$ \$ (14,309) \$ \$ \$ \$ \$ (14,309) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Revenues \$ 4,530,252 Revenues \$ 4,530,252 Revenues \$ 4,530,252 84,478 \$ 4,624,730 B 4,624,730 B 1,021,111 B 1,209,810 B 1,209,8				(14,386) (14,386) (3,123) (162)		,		
\$ 4,320,252 \$ 4,320,252 \$ (14,320) \$ (14,320) \$ (1,320) \$ 3,021 \$ 5,021 \$ 5,021 \$ 5,021 \$ 5,022 \$ (1,021)	Revenues \$ 4,530,252 Revenues \$ 4,624,730 a				(14,389) (14,388) (3,123) (162)		,		
\$ 4.624,730 \$ \$ \$ (14,398) \$ \$ \$ \$ (5,398) \$ \$ \$ \$ (14,398) \$ \$ \$ \$ (14,398) \$ \$ \$ \$ \$ (14,398) \$ \$ \$ \$ \$ \$ (14,398) \$ \$ \$ \$ \$ \$ (1,30,421) \$ \$ (1,02) \$ \$ (1,02) \$ \$ \$ \$ (1,02) \$ \$ \$ \$ (1,103) \$ \$ \$ \$ (1,103) \$ \$ \$ \$ (1,103) \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ \$ (1,103) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	## 4,624,730 ## 4,624,730 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,021 ## 3,034 ## 3				(14,386) (3,123) (162)		,		
\$ 4624.730 \$ \$ \$ (14,389) \$ \$ \$ (5,384) \$ \$ \$ (1,324) \$ \$ \$ (1,324) \$ \$ \$ (1,324) \$ \$ \$ (1,324) \$ \$ (1,324) \$ \$ (1,324) \$ \$ (1,324) \$ (1	# 4.624,730 # 4.624,730 # 3.021 3.021 5.34,813 16,800 duction mance I Expense 1,209,810 88,085 88 - Testing 88 - 1				(14,388) (3,123) (162)		•		
\$ 4824.730 \$ \$ \$ \$ (14.389) \$ \$ \$ \$ (14.389) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	# 4,624,730 duction	•			(14,386) (3,123) (162)		, 		
\$ 3.021 5.54.813 (162) (162) (162) (162) (162) (162) (163) (164) (173.384 (duction strange of Expense of Exp				(3,123)		•		
\$ 3.021 5.34 61.3 1.203 (162) (162) (162) (162) (162) (162) (162) (163) (164)	duction Trance 1 Expense 1.2 1.2 1.2 1.2 1.3 1.4 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1				(3,123)	5.845 (3.08)			
Sale of the control	Ised Water Ised Power Ised Power Sols T Power Production I and Maintenance Supplies and Expense I Services - Professional Cotal Services - Other Testing ortation too Cotal Services - Other Testing ortation Cotal Services - Other Testing ortation Other Than Income 1,1				(3,123)	5.845 (6.098)			
534 813	sed Power cals cals sed Power cals services Supplies and Expense o Services - Professional ctual Services - Pesting ctual Services - Other Testing ordation too cotation too cotation too cotation the Power testing cotation too				(3,123)	5.845 (6.098)			
Sestinal 1209 B10 (120421) 99,640 99,665 99,640 99,665 99,665 61,209 B10 99,665 61,209 B10 120,295 45,568 141,72,304 141,72,303 144,897 141,72,304 141,72,303 146,897 141,1051) 141,	colar Power Production s and Maintenance Supplies and Expense e Services ctual Services - Professional ctual Services - Other Testing cortation colar Commission Expense tiery Commission Expense services - Other Testing colar Services - Other Testin				(3.123) (162)	5.84.5 6.098)			
16 800 16 800 (162)	r Power Production s and Maintenance Supplies and Expense e Services - Chall Services - Professional - 1.2 ctual Services - Other Testing ortation cortation too college or too colle				(162)	5.845			
8860nal 1203.810 (120.421) 79 673.84 (45.190) (120.421) 79 673.84 (45.190) 120.421 6.162 (45.190) 120.421 6.162 (45.190) 120.421 1.172.803 (3.811) \$ (1.051) \$ \$ (45.190) \$ \$ \$ (45.190) \$ \$ \$ \$ \$ (45.190) \$ \$ \$ \$ (45.190) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	a r Power Production s and Maintenance Supplies and Expense c Services and Expense ctual Services - Professional cual Services - Other Testing ordation to ordation to ordation the Supplies the Supplie					5.845 (8.086)			
1203.810 1203.811 1203.812 1203.812 1203.813 1203.813 1203.813 1203.813 1203.813 1203.813 1203.813 1203.813 1203.813 1203.813 1203.813 1203.813 1203.813 1303.813	s and Maintenance Supplies and Expense e Services ctual Services - Professional ctual Services - Other Testing ordation to an Supplies titory Commission Expense titory Commis					5,845 (8,096)			
1,203.810 1,20	Supplies and Expense o Services of Services - Professional 1.2 ctual Services - Testing ctual Services - Other Testing ortation toy Commission Expense than Supplies teneous 1,1 Other Than Income					5.845 (8.088)			
1.209.810 1.209.810 1.204.21) 1.204.21 1.204.	Suppries and Expense Convices Clast Services - Professional Cual Services - Other Testing Ordation Ordation Testing Testing Ordation Testing T					5,845 (6,086)			
Fig. 1203 610 6.086) 6.086) 6.086) 6.086) 6.086) 6.086) 6.086) 120.421 6.086) 120.421 6.086) 120.421 120.42	e Senvices ctual Services - Professional ctual Services - Other Testing ortation too ctual Services - Other Testing ortation too ctual Services - Other Testing ortation too too ctual Services - Other Testing ortation too too too too too too too					5.845			
1,209,810 86,685 (45,190) (120,421)	ctual Services - Professional titual Services - Testing ctual Services - Other Testing ordation ordation too ttoy Commission Expense ttoy Commission Other Than Income					5.845			
## ## ## ## ## ## ## ## ## ## ## ## ##	ctual Services - Testing ctual Services - Other Testing ordation ordation toe titry Commission Expense sereous teleion Other Than Income					5,845			1
## ## ## ## ## ## ## ## ## ## ## ## ##	ctual Services - Diher Ctual Services - Other Testing ordation ordation Expense troy Commission Expense eneous 1,11 Other Than Income 1,11					5.845			37,307
6,162 6,162 105,295 45,688 1175,263 (3,811) 14175,263 (3,811) 141,75,263 (3,811) 141,75,263 (3,811) 141,75,263 (3,811) 141,75,263 (3,811) 141,75,263 (3,811) 141,75,263 (3,811) 141,75,263 (3,811) 141,75,263 (3,811) 141,76,263 (3,811)	Cutal Services - Other Testing ordation ros and Supplies eneous telion Other Than Income					(8.096)		~	
6,162 105,265 45,668 1175,263 1175,263 1175,263 1175,263 1175,263 1175,263 1175,263 1175,263 1175,263 1175,263 1175,263 1175,263 1175,263 1175,263 1175,263 1175,264 1175,263 1175,264	Testing ortation forthing toy Commission Expense seneous fishion fishion fisher Than Income								
6,162 46,668 45,668 45,668 1,175,263 1,175,263 1,175,263 1,175,263 1,175,263 1,175,263 1,175,264 1,175,275	ortation roce stroy Commission Expense alls and Supplies sneous tation 1,1							71.04	
105,295 45,569 52,111 63,040 1,175,263 (3,811) 148,997 55,166 \$ 4,371,166 \$ (3,811) \$ (1,051) \$ (1,103) \$ \$ (45,190) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	ortation ros titory Commission Expense alts and Supplies reneous telion 1,1								
## 52.11 ## 52.12 ## 52.13 ## 52.12 ## 52.13 ##									
45,568 63,090 152,340 1,175,263 (3,811) 148,997 55,166 \$ 4,377,156 \$ (3,811) \$ (1,051) \$ \$ (45,160) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- 5								
### 52,111 ### 50,090 ### 52,090 ### 50,090									
63,090 142,340 1,175,263 (3,811) 148,997 55,166 5,166 5,166 5,166 5,3811 \$ 1,051 \$ \$ (3,289) \$ \$ (45,190) \$ \$ \$ 57,346 (137,469) 5 (137,469) 5 (177,604 \$ 3,811 \$ 1,051 \$ - \$ (11,103) \$ - \$ 45,190 \$ - \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	£ 17:			•					
148,997 (1.051) 148,997 (1.051) \$ 4,377,156 \$ (3,811) \$ (1,051) \$ \$ (45,190) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	ne 1,1								
1,175,263 (3,811) 148,997 (1,051) 55,166 \$ 4,371,156 \$ (3,811) \$ (1,051) \$ \$ (45,160) \$ \$ \$ \$ (45,160) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1, an Income								
\$ 4.37 1.156 \$ (3.811) \$ (1.051) \$ \$ (3.285) \$ \$ (45,190) \$ \$ \$ (45,190) \$ \$ \$ (5.186) \$ \$ \$ (45,190) \$ \$ \$ (5.186) \$ \$ \$ (6.190) \$ \$ \$ (6.190) \$ \$ \$ (6.190) \$ \$ \$ (6.190) \$ \$ \$ (6.190) \$ \$ \$ (1.102) \$ \$ (1.102	an Income	(2.811)							
\$ 4.371.156 \$ (3.811) \$ (1.051) \$ \$ (3.285) \$ \$ (45,190) \$ \$ \$ 55,166 \$ \$ (3.285) \$ \$ \$ (45,190) \$ \$ \$ 57,346 \$ (137,468) \$ (137,468) \$ \$ (1051) \$ \$ \$ \$ (11,102) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		(1.0.0)							
\$ 4371,156 \$ (3,811) \$ (1,051) \$ \$ (45,160) \$ \$ \$ (45,160) \$ \$ \$ \$ 57,346 \$ \$ (849) \$ (137,466) \$ \$ \$ \$ (11,103) \$ \$ \$ \$ \$ (11,103) \$ \$ \$ \$ \$ \$ (11,103) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$									
55,166 \$ 4,371,156 \$ (3,811) \$ (1,051) \$ \$ (3,285) \$ \$ (45,190) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$			(1.051)						
\$ 4.37(156 \$ (3.811) \$ (1.051) \$ \$ (3.289) \$ \$ (45,190) \$ \$ \$ \$ 253.574 \$ 3.811 \$ 1.051 \$ \$ (41,103) \$ \$ 45,180 \$ \$ \$ 57.346 (137.468) (137.468) \$ 172.604 \$ 3.811 \$ 1.051 \$ \$ \$ \$ \$ \$ \$ \$ \$									
\$ 4,371,156 \$ (3,811) \$ (1,051 \$ \$ (3,289) \$ \$ \$ (45,180) \$ \$ \$ \$ 253,574 \$ 3,811 \$ 1,051 \$ \$ \$ (11,103) \$ \$ \$ 45,190 \$ \$ \$ 57,346 \$ \$ (849) \$ (137,468) \$ \$ 172,804 \$ 3,811 \$ 1,051 \$ \$ \$ (11,103) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$									
\$ 253,574 \$ 3,811 \$ 1,051 \$. \$ (11,103) \$. \$ 45,190 \$. \$ 9 57,346 (B49) (137,466) \$ 172,604 \$ 3,811 \$ 1,051 \$. \$ (11,103) \$. \$ 45,190 \$. \$	\$ 4.371.158	(3.811)	1		(3 29K)				ı
57.346 (137,466)	\$ 253.574	3811			74.4 403		l		ı
57,346 (137,468) (137,468) 5 (80,968) \$ 5 5 \$ 3 5 172,504 \$ 3,811 \$ 1,051 \$ - \$ (11,103) \$ - \$ 45,190 \$ 5				•	(31,1)				
57.346 (137.466) \$ (80.869) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Interest and Dividend Income								
5 (346) (137,469) (137,469) \$ (80,969) \$. \$. \$. \$. \$. \$. \$. \$. \$. \$									
(137.468) \$ (10.068) \$ \$ 172.504 \$ \$ 172.504 \$ \$ 172.504 \$	51								
\$ (80,869) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$									
\$ (80,669) \$. \$. \$. \$. \$. \$. \$. \$. \$. \$	(137								
\$ (80,669) \$ 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5									
\$ 172,604 \$ 3,811 \$ 1,051 \$ - \$ (11,103) \$ - \$ 45,190 \$. \$ (37	.							•	
SCHEDULES: 3 1/2,504 \$ 3,811 \$ 1,051 \$ - \$ (11,103) \$ - \$ 45,190 \$. \$ (37	(000,000)		1						
	\$ 172,804	3,811	1,051		(11,103)				(3)
SUPPORTING SCHEDULES:									
2.2	SUPPORTING SCHEDULES:								
	6.3								

Liberty Utilities (Bella Vista Water) Corp.
dbs Liberty Utilities
Test Year Ended December 31, 2014
Income Statement

Exhibit Settlement Schedule C-1 Page 2.2 Witness: Bourassa

		P. Comorate	10 0000016	# # # # # #	77	#	7	11	16	3		:
===	di	Cost Adi	Cost Adi	Capitalizad		Incantives	interliacing (landari	1	Verternen	Proposed	Adjusted
욷		Labor	Labor Inc	Labor	Postage	& Rents	Blank	Synch.	Taxes	Results	Kale	Wiln Kate
- (Revenues											2000
√ W	Metered water Revenues Unmetered Water Revenues									\$ 4,515,864	\$ 958,954	\$ 5,474,818
4 #	Other Water Revenues			İ						94,478		94,478
100 1	Operating Expenses		,			·	•	, **	•	\$ 4,610,342 \$	858,854	\$ 5,569,296
- 00	Durchased Water									•		
o o	Purchased Power									3,021		3,021
₽;										16,637		16,637
12												• •
⊕ ‡	Office Supplies and Expense Outside Services									39,640		39,640
₽:		(71,704)	(11,700)	(6,693)		(15,399)				1.021.201		1 02 1 201
9 :			,							50,350		50,350
- 4	Contractual Services - Other Waler Testino		7,334			(7.451)				787,602		787,602
19										. 6		
8										105 205		6,162
2 :										45,568		45.568
22	Regulatory Commission Expense									52,111		52,111
7					476.07					63,090		63,090
25					(140.3)					150,240		150,240
9 5	Taxes Other Than income									1		101
388									58,312	147,946	10,628	158,572
8 8	Total Operating Expenses	\$ (71,704) \$	(4,387) \$	(6,683)	(2.341)	\$ (22.849) \$			£ 58.312	2 4305 484	186 730	4 634 949
æ		ĺ	4,387 \$			22.849			\$ (58.312)	SA PAR	503,728	4 4,071,013
3 3	Other Income (Expense) Interest and Dividend Income					•				200	037	
8 %										57,348		57,348
3 %										(849)		(B 4 B)
3 %				j				29,277		(108.189)		(108,189)
88	Total Other Income (Expense)	5	\$	\$	1		1	29,277	11	\$ (51,692) \$		(51,892)
3 4	2	1	4,36/	6.693 \$	2,341	\$ 22,849 \$		\$ 29,277	\$ (58,312)		593,225	846,391
4 4	SUPPORTING SCHEDULES: C-2									æ¦ c	RECAP SCHEDULES:	ES:
5										,	o-t' bane i	

Exhibit Settlement Schedule C-2 Page 1 Witness: Bourassa

Lin			Adjustme	nts to Revenues an	d Expenses			
<u>No</u> 1	<u> </u>	. 1	2	<u>3</u>	4	5	<u>6</u>	Subtotal
2 3 4	Revenues	Depreciation -	Property <u>Taxes</u>	Rate Case Expense	Usage Normalization (14,388)	Expense Reclass	Water <u>Testing</u>	(14,388)
5 6	Expenses	(3,811)	(1,051)					
7	Expanses	(3,611)	(1,051)		(3,285)	 	(45,190)	(53,338)
8 9 10	Operating Income	3,811	1,051	•	(11,103)	-	45,190	38,950
11	Interest							
12 13	Expense Other							-
14	Income /							
15	Expense	-						•
16 17 18	Net Income	3,811	1,051		(11,103)	•	45,190	38,950
19								
20 21		_	Adjustmer	nts to Revenues and				
22		<u>7</u> Reclass	<u>8</u> Corporate	9 Corporate	10 Comparate	11	<u>12</u>	<u>Subtotal</u>
23		Contractual	Cost Adj.	Cost Adj.	Corporate Cost Adj.	Restated Capitalized	Intentionally Left	
24 25	Davanua	Services	Non-Labor	<u>Labor</u>	Labor Inc	Labor	<u>Blank</u>	
26	Revenues	•	•	-	-	-	-	(14,388)
27	Expenses	-	37,307	(71,704)	(4,367)	(6,693)	(2,341)	(101,135)
28 29	Operating					(51555)	(2,041)	(101,133)
30	Income	-	(37,307)	71,704	4,367	6 600	2044	
31			(01,001)	71,704	4,301	6,693	2,341	86,747
32 33	Interest Expense							
34	Other	-						-
35	Income /							_
36 37	Expense							_
38	Net Income	-	(37,307)	71,704	4,367	6,693	2.244	20.2.2
39					4,001	0,053	2,341	86,747
40 41			A ali a tana a a	4- 4- D	_			
42		<u>13</u>	Adjustment 14	ts to Revenues and	Expenses 16			
43		Intentionally	Intentionally	<u></u>	10			<u>Total</u>
44 45		Left Blank	Left	Interest	Income			
46	Revenues	Diatrik -	<u>Blank</u>	Synch.	Taxes			
47	_			_	-			(14,388)
48 49	Expenses	(22,849)	-		58,312			(65,673)
50	Operating							
51 52	Income	22,849	-		(58,312)	-	_	51,285
52 53	Interest				-			V1,200
54	Expense			29,277				20.033
55 56	Other			- 				29,277
56 57	Income / Expense							-
58	•							
59	Net Income	22,849	· · · · · · · · · · · · · · · · · · ·	29,277	(58,312)	· · · · · · · · · · · · · · · · · · ·	-	80,562

Exhibit Settlement Schedule C-2 Page 2 Witness: Bourassa

Depreciation Expense

			Adjusted	Non-Depr.	Depreciable		
	Acct.		Original	and Fully	Original	Proposed	Depreciation
<u>No.</u> 1	<u>No.</u> 101	<u>Description</u>	<u>Cost</u>	Depr. Plant	Cost	Rates	Expense
2	301	Plant-in-Service Organization Cost	•	-	-	0.00%	
2	302	Franchise Cost	-		-	0.00%	•
3	303	Land and Land Rights	98,989 688.014	(,,	-	0.00%	-
4	304	Structures and Improvements	688,011 3,987,850	(688,011)	2 007 050	0.00%	-
5	305	Collecting and Impounding Res.	46,813		3,987,850	3.33%	132,795
6	306	Lake River and Other Intakes	70,010		46,813	2.50%	1,170
7	307	Wells and Springs	1,672,881		1,672,881	2.50% 3.33%	-
В	308	Infiltration Galleries and Tunnels	-		1,572,001	6.67%	55,707
9	309	Supply Mains	434,230		434,230	2.00%	8,685
10	310	Power Generation Equipment	214,572		214.572	5.00%	10,729
11	311	Electric Pumping Equipment	3,261,426	(2,044,359)	1,217,068	12.50%	152,133
12	320	Water Treatment Equipment	0	•	0	3.33%	0
13	320.1		63,317		63,317	3.33%	2,108
14	320.2		55,450		55,450	20.00%	11,090
15	330	Dist. Reservoirs & Standpipe	0		0	2.22%	0
16 17	330.1 330.2	Storage tanks	2,706,220		2,706,220	2.22%	60,078
18	330.2		461,546	,	461,546	5.00%	23,077
19	333	Trans. and Dist. Mains Services	14,815,503		14,815,503	2.00%	296,310
20	334	Meters	2,223,699		2,223,699	3.33%	74,049
21	335	Hydrants	1,899,055	(1,307,033)	592,022	8.33%	49,315
22	336	Backflow Prevention Devices	1,152,335		1,152,335	2.00%	23,047
23	339	Other Plant and Misc. Equip.	189,235		400 005	6.67%	•
24	340	Office Furniture and Fixtures	165,073	(144,107)	189,235	6.67%	12,622
25	340.1	Computers and Software	281,527	(159,658)	20,967	6.67%	1,398
26	341	Transportation Equipment	557,771	(174,114)	121,869 383,657	20.00%	24,374
27	342	Stores Equipment	•	(117,117)	303,037	20.00%	76,731
28	343	Tools and Work Equipment	320,178	(107,417)	212,762	4.00% 5.00%	40.000
29	344	Laboratory Equipment	3,285	(101,411)	3,285	10.00%	10,638
30	345	Power Operated Equipment	101,287		101,287	5.00%	329 5.064
31	346	Communications Equipment	895,829		895,829	10.00%	89,583
32	347	Miscellaneous Equipment	220,280	(101,418)	118,862	10.00%	11,886
33	347,1	Miscellaneous Equipment - CNG Plant	450,582	` ' '	450,582	3.33%	15,004
34 35	348	Other Tangible Plant	155,378		155,378	10.00%	15,538
35 36		SUBTOTAL	\$ 37,122,324	\$ (4,825,105) \$	32,297,218	\$	
37							,,
38	903	Land and Land Rights					
39	904	Structures and Improvments	20,284	(20,284)	-	0.00%	-
40	940	Office Furniture and Fixtures	220,266		220,266	2.56%	5,639
41	940.1	Computers and Software	30,770		30,770	6.67%	2,052
42	J .J. ,	TOTALS	196,098 \$ 37,589,741	Ø // 045 000) . 6	196,098	20.00%	39,220
43		(Oneo	3 37,389,741	\$ (4,845,389) \$	32,744,352	\$	1,210,373
44					Cree	A D	
45	Less: Am	nortization of Contributions		_	Gross	Amort. Rate	
46				\$	1,080,442	3.6024% \$	(38,921)
47							
48						_	(00.00.11
49	Total Dep	preciation Expense					(38,921)
50		·				>	1,171,452
51	Adjusted	Test Year Depreciation Expense					1 475 000
52							1,175,263
	Increase	(decrease) in Depreciation Expense					/2 R111
54						*	(3,811)
	Adjustme	nt to Revenues and/or Expenses				e	/3 811)
56	_					_5	(3,811)
57	SUPPOR	TING SCHEDULE					
58	B-2, page	3					

58 B-2, page 3

Exhibit Settlement Schedule C-2 Page 3 Witness: Bourassa

Property Taxes

Line			T		_
No.			Test Year	_	Company
1	Company Adjusted Test Year Revenues	s	as adjusted		ecommended
2	Weight Factor	Þ	4,610,342	\$	4,610,342
3	Subtotal (Line 1 * Line 2)		2	-	2
4	Company Recommended Revenue		9,220,684		9,220,684
5	Subtotal (Line 4 + Line 5)		4,610,342		5,569,296
6	Number of Years		13,831,026		14,789,980
7	Three Year Average (Line 5 / Line 6)		4 640 040		3
8	Department of Revenue Mutilplier		4,610,342		4,929,993
9	Revenue Base Value (Line 7 * Line 8)		2		2
10	Plus: 10% of CWIP (intentionally excluded)		9,220,684		9,859,987
11	Less: Net Book Value of Licensed Vehicles		240 700		•
12	Full Cash Value (Line 9 + Line 10 - Line 11)		319,726		319,726
13	Assessment Ratio		8,900,958		9,540,261
14	Assessment Value (Line 12 * Line 13)		18.0%		18.0%
15	Composite Property Tax Rate - Obtained from ADOR		1,602,172		1,717,247
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)		9.2341%	_	9.2341%
17	Tax on Parcels	\$	147,946	\$	158,572
18	Total Property Taxes (Line 16 + Line 17)	<u> </u>	447.040		-
19	Test Year Property Taxes	\$	147,946		
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	\$	148,997		
21	z z z z z z z z z z z z z z z z z z z	_	(1,051)		
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)				
23	Company Test Year Adjusted Property Tax Expense (Line 18)			\$	158,572
24	Increase in Property Tax Due to Increase in Revenue Requirement			\$	147,946
25	The state of the s			2	10,626
26	Increase in Property Tax Due to Increase in Revenue Requirement (Line 24)				
27	Increase in Revenue Requirement (Line 24)			\$	10,626
28	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27)			\$	958,954
29	increase in Revenue (Line 26 / Line 27)				1.10809%
30					
24					

Exhibit
Settlement Schedule C-2
Page 4
Witness: Bourassa

Rate Case Expense

Line		
<u>No.</u>		
1		
2		
3	Estimated Rate Case Expense	\$ 260,557
4		
5	Estimated Amortization Period in Years	5
6		
7	Annual Rate Case Expense	\$ 52,111
8		
9	Test Year Rate Case Expense	\$ 52,111
10		
11	Increase(decrease) Rate Case Expense	\$ •
12		
13	Adjustment to Revenue and/or Expense	\$ -
14		
15		
16	Reference	
17	Testimony	
18	•	
19		

20

Exhibit Settlement Schedule C-2 Page 5 Witness: Bourassa

Usage Normalization

Line			
No.			
1	Usage Normalization Adjustment per Settlement	\$	(106,885)
2	Usage Normalization Adjustment per Direct		(92,497)
3	Increase (decrease) in Revenues	\$	(14,388)
4			
5	TY Purchased Power Expense	\$	556,214
6	Gallons Sold During Test Year (in 1,000s)		1,025,278
7	Cost per 1,000 gallons	\$	0.5425
8			
9	Additional Gallons Sold from Usage Normalization (in 1,000s) per Settlement		(49,999)
10	Additional Gallons Sold from Usage Normalization (in 1,000s) per Direct		(44,242)
11	Increase (decrease) in Gallons Sold		(5,757)
12			, , , , , ,
13			
14	Increase (decrease) in Purchased Power	-\$	(3,123)
15			
16	TY Chemicals Expense	\$	17,963
17	Gallons Sold During Test Year (in 1,000s)	•	636,008
18	Cost per 1,000 gallons	5	0.0282
19		•	
20	Increase (decrease) in Gallons Sold from Usage Normalization (in 1,000s)		(5,757)
21			, , ,
22	Increase (decrease) in Chemicals Expense	\$	(162)
23		-	
24			
25	Adjustment to Revenue and/or Expense	\$	(11,103)
26	·		(1,171337
27	Reference		
28	Testimony		
29	Work papers		
30	• •		

Exhibit Settlement Schedule C-2 Page 6 Witness: Bourassa

Reclassify Expense

Line <u>No.</u> 1 2	Contractual Services - Testing Contractual Services - Other Miscellaneous Expense	\$	5,845 241 (6,086)
4	·		151557
5	Increase (decrease) in Expense	_\$	-
6			
7	Adjustment to Revenue and/or Expense	\$	-
8			
9	Reference		
10	Testimony		
11	Work papers		
12			
13			
14			
15			
16			
17			
18			
19			
20			

Exhibit Settlement Schedule C-2 Page 7 Witness: Bourassa

Water Testing

Line			
<u>No.</u>			
1	Water Testing Expense per Staff	\$	50,350
2	Adjusted TY Water Testing Expense plus Expense Reclass (Rb. Adj. 5)	Š	95,540
3	, , , , , , , , , , , , , , , , , , , ,	•	30,340
4			
5			
6	Adjustment to Water Testing Expense	\$	(45,190)
7	· ·		(40,130)
8			
9	Adjustment to Revenue and/or Expense	\$	(45 100)
10	•	-	(45,190)
11	Reference		
12	Testimony		
13	H-1		
14	Work Papers		
15			
16			
17			
18			
19			
20			

Exhibit Settlement Schedule C-2 Page 8 Witness: Bourassa

Reclassify Contractual Services - Labor

Line No. 1 2 3 4 5		\$ \$	(120,421) 120,421
5 6	Adjustment to Expenses		
7	regulation to Expenses	*	
8			
9	Adjustment to Revenue and/or Expense	2	_
10	•	<u> </u>	
11	Reference		
12	Testimony		
13	Work Papers		
14			
15			
16			
17			
18			
19			
20			

Exhibit Settlement Schedule C-2 Page 9 Witness: Bourassa

Corporate Cost Adjustment - Non-Labor

Line <u>No.</u>			
1 2	Corporate Allocation Adjustment		
3	Adjusted Allocated Non-Labor Costs per Settlement	\$	429,139
4 5	Adjusted Allocated Non-Labor Costs per Direct		391,832
6	Adjustment to Contractual Services Professional	\$	37,307
7 8			
9	Adjustment to Revenue and/or Expense	_\$	37,307
10 11	Reference		
12	Testimony		
13	Work Papers		
14			
15			
16 17			
18			
19			
20			

Exhibit Settlement Schedule C-2 Page 10 Witness: Bourassa

Contracual Services - Labor

Line <u>No.</u> 1	Allocated Contract Sanitage Desfancional (Labor)		
2	Allocated Contract Services - Professional (Labor)		
3 4	Adjusted Allocated Contractual Services APUC, LUCC and LABS per Settlement Adjusted Allocated Contractual Services LU(SUB) per Settlement	\$	74,082 480,852
3	Adjusted Allocated Contractual Services - Professional (labor) per Settlement	\$	554,934
4	Adjusted Allocated Contractual Services - Professional (labor) per Direct	•	747,059
5	Required Adjustment	2	(192,125)
6	Amount reclassified to Contractual Services - Other (see Rj. Adj. #7)	•	(120,421)
7	Net Adjustment to Contractual Services Professional	\$	(71,704)
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20	Adjustment to Revenue and/or Expense	\$	(71,704)
21			
22	Reference		
23	Testimony		
24	Work Papers		
25			

Exhibit Settlement Schedule C-2 Page 11 Witness: Bourassa

Corporate Cost Adjustment - Labor

Line			
<u>No.</u>			
1			
2	Allocated Contract Services - Professional (Labor)		
3	Adjusted Allocated Labor Costs per Settlement	S	554,934
4	Factor (1)		6.09%
5	Increase in Labor Costs per Settlement	\$	33,795
6	Increase in Labot Cost Per Direct		45,496
7	Adjustment to Contractual Services - Professional	\$	(11,700)
8		======	
9	Allocated Contract Services - Other (Labor)		
10	Adjusted Allocated Labor Costs per Settlement	\$	701,112
11	Factor (1)		6.09%
12	Increase in Labor Costs per Settlement	\$	42,698
13	Increase in Labor Costs per Direct		35,364
14	Adjustment to Contractual Services - Other	\$	7,334
15			
16			
17			
18			
19	Adjustment to Revenue and/or Expense	\$	(4,367)
20			(100.17
21	Reference		
22	Testimony		
23	Work papers		

Exhibit Settlement Schedule C-2 Page 12 Witness: Bourassa

Capitalized Expense

Line			
<u>No.</u>			
1			
2	Arizona Direct Labor to be Capitalized	\$	56,054
3			,
4	Updated Allocation Factor		11.94%
5			
6	Allocated Capitalized Expense	\$	6,693
7			
8	Increase (decrease) in Contractual Services - Professional	_\$	(6,693)
9			
10	<u>-</u>		
11	Adjustment to Revenue and/or Expense	\$	(6,693)
12			
13			
14			
15			
16	Reference		
17	Testimony		
18	Work papers		
19			
20			

Exhibit Settlement Schedule C-2 Page 13 Witness: Bourassa

<u>Postage</u>

Line		
No.		
1		
2 3	Number of Water Bills in the Test Year Including Annualized Bills	117,065
4 5	US Postal Decrease in Postage	\$ (0.02)
6 7	Total Adjustment to Postage Due to Postage Price Decrease	\$ (2,341)
8 9	Allocation factor	100.00%
10 11	Increase (decrease) in Miscellaneous Expense	\$ (2,341)
12 13	Adjustment to Revenue and/or Expense	\$ (2,341)
14		
15		
16		
17		
18		

19 20

Exhibit Settlement Schedule C-2 Page 14 Witness: Bourassa

Incentive Pay, Rents, and Other

Line						
<u>No.</u>						
1		<u>R</u>	R - Water	B	R-Sewer	Bella Vista
2	Corporate					
3	Contractual Services - Professional Adjustment	\$	(10,550)	\$	(3,224)	\$ (15,399)
4						• , ,
5	Liberty Utilities Sub Corp.					
6	Contractual Services - Other Adjustment	_\$_	(5,104)	\$	(1,560)	\$ (7,451)
7			,			
8						
9						
10						
11						
12						
13						
14						
15						
16						
17	Defenses					
18	Reference Work paper					
19 20	Work papers					
20						

Adjustment Number 14

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Line

Exhibit Settlement Schedule C-2 Page 15 Witness: Bourassa

Liberty Utilities (Bella Vista Water) Corp.

Test Year Ended December 31, 2014
Adjustment to Revenues and Expenses
Adjustment Number 15

Exhibit
Settlement Schedule C-2
Page 16
Witness: Bourassa

Interest Synchronization

28 29 30

Line No. 1 2 3						
4	Fair Value Rate Base		\$	11,633,206		
5	Weighted Cost of Debt		•	0.93%		
6 7	Interest Expense				\$	108,189
8 9	Test Year Interest Expense				\$	137,466
10 11 12 13	Increase (decrease) in Interest Expense					(29,277)
14 15 16	Adjustment to Revenue and/or Expense			:	\$	29,277
17	Weighted Cost of Debt Computation					
18					V	Veighted
19		<u>Percent</u>		Cost	-	Cost
20	Debt	30.00%		3.10%		0.93%
21	Equity	70.00%		9.70%		6.79%
22 23 24 25 26 27	Total	100.00%		•		7.72%

Exhibit Settlement Schedule C-2 Page 17 Witness: Boursssa

	Adjustment Number 16		Witness: Bourassa			
Line <u>No.</u>						
1	Income Taxes					
2			T	est Year	ĭ	est Year
3			at Present Rates		at Proposed Rates	
4	Computed Income Tax		\$	113,478	S	468.581
5	Test Year Income tax Expense			_	•	113,478
6	Adjustment to income Tax Expense		\$	113,478	\$	355,103
7						
В						
9						
10						
11						
12						
13	SUPPORTING SCHEDULE					
14	C-3, page 2					
15						

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Computation of Gross Revenue Conversion Factor

Exhibit Settlement Schedule C-3 Page 1 Witness: Bourassa

		Percentage
		of Incremental
Line		Gross
No.	_Description	Revenues
1	Combined Federal and State Effective Income Tax Rate	37.445%
2		
3	Property Taxes	0.693%
4		
5 6	Total Tay Description	**
7	Total Tax Percentage	38.138%
8	Operating Income % = 100% - Tax Percentage	61.862%
9	operating modifier in a look - Tax i crosmage	01.00276
10		
11		
12		
13	= Gross Revenue Conversion Factor	
14	Operating Income %	1.6165
15		
16 17		
18		
19		
20		
21		
22		
23		
24		
25	SUPPORTING SCHEDULES:	RECAP SCHEDULES:
26 27	C-3, page 2	A-1
28		
29		
30		
31		
32		
33		
34		
35		
36 37		
37 38		
39		
40		
-		

Exhibit Settlement Schedule C-3 Page 2 Witness: Boursess

GROSS REVENUE CONVERSION FACTOR

No.	Reaction	(A)	(B)	(C)	(C)	E	ı	(F)
	Calculation of Gross Revenue Conversion Factor:							
1	Revenue Uncollecible Fector (Line 11)	100,00009						
3	Revenues (L1 - L2) Combined Federal and State Income Tax and Property Tax Rate (Line 23)	100.00009						
5	Subtotal (L3 · L4)	38,13839 81,86179	<u>6</u>					
6	Revenue Conversion Factor (L1 / L5)	1.618510	2.					
7	Calculation of Uncollectible Factor: Unity	100.00009	4					
8	Combined Federal and State Tax Rate (L17)	37.44529	<u> </u>					
9 10	One Minus Combined Income Yax Rate (L7 - L8) Uncollectible Rate	52 55489 0.00009						
11	Uncollectible Factor (L9 * L10)		0.0000	<u>*</u>				
12	Calculation of Effective Tax Rate; Operating Income Before Tax as (Arizona Taxable Income)	100.0000%						
13	Arizona State Income Tax Rate	4.90009	<u> </u>					
14 15	Federal Taxable Income (L12 - L13) Applicable Federal Income Tax Rate (L55 Col F)	95.10009 34.22209						
16 17	Effective Federal Income Tax Rate (L14 r L15) Combined Federal and State Income Tax Rate (L13 +L15)	32.54529		•				
"	• •		20,4402	<u> </u>				
18	<u>Calculation of Effective Property Tex Fector</u> Unity	100.00009						
19 20	Combined Federal and State Income Tax Rate (L17) One Minus Combined Income Tax Rate (L18-L19)	37.44529 62.55489						
21	Property Tax Factor	1,10819	<u>.</u>					
22 23	Effective Property Tax Factor (L20*L21) Combined Federal and State Income Tax and Property Tax Rate (L17+L22)		0.6932	38.1383%				
24	Required Operating Income	\$ 898,084						
25	AdjustedTest Year Operating Income (Loss)	\$ 304,658	_					
26	Required Increase in Operating Income (L24 - L25)		\$ 593,225	5				
27 28	Income Taxes on Recommended Revenue (Col. (F), L52) Income Taxes on Tast Year Revenue (Col. (C), L52)	\$ 468,581 \$ 113,478						
29	Required increase in Revenue to Provide for Income Taxes (L27 - L28)	7 110,470	\$ 355,100	3				
30	Recommended Revenue Requirement	\$ 5,569,296						
	Uncollectible Rate (Line 10) Uncollectible Expense on Recommended Revenue (L24 * L25)	5 0,0000%	<u>•</u> .					
33	Adjusted Test Year Uncollectible Expense Required Increase in Revenue to Provide for Uncollectible Exp.	<u> </u>	- .					
	·		•					
35	Property Tax with Recommended Ravenue Property Tax on Test Year Revenue	\$ 158,572 \$ 147,946						
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		\$ 10,620	\$		•		
38	Total Required Increase in Revenue (L26 + L29 + L37)		\$ 958,954	<u>-</u>				
		(A)	(B)	(C)		(E)		[F]
	The last of the la	Total	Year		Total	Company Recomm	render	
39	<u>Calculation of Income Tax:</u> Revenue	\$ 4,610,342		Water \$ 4,610,342	\$ 5	569 296		Water 5,569,296
40 41	Operating Expenses Excluding Income Taxes Synchronized Interest (L47)	4,192,006 108,189		4,192,096 198,189		202,632 108,189	ľ	4,202,632
42	Arizone Taxable Income (L39 - L40 - L41)	\$ 310,147		\$ 310,147		258,476	- 15	108,189 1,258,475
44	Arizone State Effective Income Tax Rate (see work papers) Arizona Income Tax (L42 x L43)	4,9000% \$ 15,197		4,9000% \$ 15,197	\$	4.9000% 81,685		4.9000% 61,665
45 46	Federal Taxable Income (L42- L44)	\$ 294,950		\$ 294,950	5 1,	196,811	\$	1,198,810
	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15% Federal Tax on Second Income Bracket (\$50,001 - \$75,000) @ 25%	\$ 7,500 \$ 6,250	İ	\$ 7,500 \$ 6,250	s s	7,500 6,250	5	7,500
49	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$ 8,500		\$ 8,500	5	8,500	\$	6,250 8,500
51	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39% Federal Tax on Fifth Income Bracket (\$335,001 -\$10,000,000) @ 34%	\$ 76,031		\$ 76,031	5	91,650 293,016	ş	91,650 293,015
52 53	Total Federal Income Tax	\$ 96.281		\$ 98,261		408.916		
	Combined Federal and State Income Tax (L35 + L42)	\$ 113,478		\$ 113,478		468,581	- \$	406,915 468,581
55 56	COMBINED Applicable Federal Income Tax Rate [Col. [D], L53 - Col. [A], L53	[Col. [D], L45 - Col. [A], L45]			3	4.2220%		
	<u>WASTEWATER</u> Applicable Federal Income Tax Rate (Col. [E], L53 - Col. [B], I <u>WATER</u> Applicable Federal Income Tax Rate (Col. [F], L53 - Col. [C], L53] / (C	Lasy / (CO), [E], L45 - CO), [B], L45] ol. [F], L45 - Coi. [C], L45]				0.0	0000%	34.2220%
58	<u>Caliculation of Interest Synchronization;</u> Rate Base			Water \$ 11,633,206				
	Weighted Average Cost of Debt Synchronized Interest (LS9 X L80)			0.9300%				
-30	okumu maran masaa (rok y For)		١	\$ 108,189				

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Summary of Cost of Capital

Exhibit Settlement Schedule D-1 Page 1 Witness: Bourassa

Projected Capital Structure

			Danna	
Line			Percent of	Cost Weighted
No.	Item of Capital		<u>Total</u>	Rate Cost
1	Long-Term Debt		30.00%	3.10% 0.93%
2				
3	Stockholder's Equity		70.00%	9.70% 6.79%
4		_		
5	Totals	==	100.00%	7.72%
6				
7 8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18 19				
20				
21				
22	SUPPORTING SCHEDULES:			
23	D-1			
24	Testimony			
25				
26				
27				
28				
29 30				
JU				

Liberty Utilities (Bella Vista Water) Corp.
Test Year Ended December 31, 2014
Revenue Summary
With Annualized Revenues to Year End Number of Customers

Exhibit Settlement Schedule H-1 Page 1 Witness: Bourassa

Liberty Utilities (Bella Vista Water) Corp.
Test Year Ended December 31, 2014
Revenue Summary
With Annualized Revenues to Year End Number of Customers

Additional	Gallons to be Pumped (in 1,000's) 2,613 232 89	2,934	404 - 388 (665)	1,733	1,860	4,794
	Additional Bills 476 61	546	67 - 29 (20)	7 , ,	88 (14) (13)	607
	Percent Change 18.21% 57.37% 24.02%	22.17%	21.02% 0.00% 24.83% 0.00% 22.61%	22,70% 0.00% 0.00%	22.40% 0.00% 0.00% 0.00%	22.51%
zation	Dollar <u>Change</u> 2,088 724 125	2,937	413 - 478 (742) 4,647	1,587 - -	6,382	9,319
Revenue Annualization	Revenues 13,555 1,987 645	16,187	2,379 - 2,401 (3,685) 25,195	8,580	34,869 (140) (195)	50,721 \$
&	ድ ም	es es	es.		vs	1
	Present Revenues 11,467 1,263 520	13,250	1,966 1,923 (2,943) 20,548	6,993	28,487 (140) (195)	41,402
	•• - ⊠	с я ся	A		6	ω
	Class Residential Residential Residential	Subtotat	Commercial Commercial Commercial Commercial	Commercial Commercial Commercial Commercial	Subtotal Fire Lines 4 Inch Fire Lines 6 Inch Fire Lines 8 Inch	nnualization
	Size 5/8X3/4 Inch 3/4 Inch	5/8X3/4 fnch	3.4 Inch 1 1/2 Inch 2 Inch 2 Inch	6 11 Ch		Total Revenue Ar
	No. 2 6 4	ν ω ν	~ & o 5 £ £	7646	27 13 13 14 15 15 15 15 15 15 15 15 15 15 15 15 15	23 25 26 28 29 29

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Revenue Summary With Annualized Revenues to Year End Number of Customers

Exhibit Settlement Schedule H-1 Page 3 Witness: Bourassa

— д.	Œ			ı				l																					
Percent of Present	Water <u>Revenues</u>	99.32%	0.90%	-2.32%	97.90%	2.05%	0.05%	100.00%																					
	Percent Change	21.17%	22.51%	13.99%	21.31%	0.00%	-128.19%	20.80%																					
;	Dollar Change	969,466	9,319	(Bon' / I)	961,696		(2,742)	958,954																					
		6		1	es.			67																					
	Proposed Revenues	5,548,673	50,721	123,374	5,475,420	94,478	(603)	5,569,295																					
•		69		ŀ	•	69		₩																					
	Present Revenues	4,579,207	41,402	(00,001)	4,513,725	94,478	2,139	4,610,342																					
		(4		•	A	₩		₩																					
		Subtotal Metered Revenues	Subtotal Kevenue Annualization Usada Normalization Adjustment	Total Material Description	rotal metaled nevertues	Misc. Revenues	Reconciling Amount	Total Water Revenues																					
<u>.</u>	활행	- (v es	٠ <	t w	ဖ	_	20	6	9	F	7	5	4	15	16	7	48	9	2	7	22	23	24	52	92	27	28	2 6
_	_ `																												

Percent
of
Proposed
Water
Revenues
99.63%
0.91%
-2.23%

1.70% -0.01% 100.00%

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Customer Summary

Exhibil Settlement Schedule H-2 Page 1 Witness: Bourassa

National State Class 1231/2014 1231/2014 1231/2014 1231/2014 1231/2014 1231/2014 1231/2014 1231/2014 1231/2014 1335 1335 1334 104 104 104 105					
Meter Size, Class 12/3/12 5/8X3/4 Inch Residential 3/4 Inch Residential 1 Inch Residential 5/8X3/4 Inch Subtotal 5/8X3/4 Inch Commercial 3/4 Inch Commercial 1 Inch Commercial 2 Inch Commercial 3 Inch Commercial 6 Inch Commercial 8 Inch Commercial 8 Inch Commercial 8 Inch Commercial 8 Inch Commercial 8 Inch Fire Lines 4 Inch Fire Lines 6 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch	Average	Average Bill Present Pro	e Bill Proposed	Proposed Increase Dollar Percei	<u>crease</u> Percent
5/8X3/4 Inch Residential 3/4 Inch Residential 1 Inch Residential 5/8X3/4 Inch Commercial 1 Inch Commercial 1 Inch Commercial 2 Inch Commercial 2 Inch Commercial 3 Inch Commercial 6 Inch Commercial 8 Inch Commercial 8 Inch Commercial 8 Inch Commercial Fire Lines 4 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch	Consumption	Rates	Rates	Amount	Amount
3/4 Inch Residential 1 Inch Residential 5/8X3/4 Inch Commercial 3/4 Inch Commercial 1 1/2 Inch Commercial 2 Inch Commercial 2 Inch Commercial 3 Inch Commercial 6 Inch Commercial 8 Inch Commercial 8 Inch Commercial 8 Inch Commercial 8 Inch Commercial 8 Inch Commercial Fire Lines & Inch Fire Lines & Inch Fire Lines & Inch Fire Lines & Inch	5,914	5 25.03	\$ 29.68	4.65	18.59%
1 Inch Residential Subtotal 5/8X3/4 Inch Commercial 3/4 Inch Commercial 1 I/2 Inch Commercial 2 Inch Commercial 3 Inch Commercial 6 Inch Commercial 6 Inch Commercial 8 Inch Commercial 8 Inch Commercial 8 Inch Commercial 9 Inch Commercial Fire Lines 4 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch	3,820	20.54	32.36	11.82	57.57%
Subtotal 5/8X3/4 Inch Commercial 3/4 Inch Commercial 1 1/2 Inch Commercial 2 Inch Commercial 3 Inch Commercial 6 Inch Commercial 6 Inch Commercial 8 Inch Commercial 8 Inch Commercial 8 Inch Commercial 8 Inch Commercial 9 Inch Commercial 1 Inch Commercial 1 Inch Commercial 1 Inch Commercial 1 Inch Commercial 2 Inch Commercial 3 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch	11,794	61.98	77.06	15.08	24.33%
Subtotal 5/8X3/4 Inch Commercial 3/4 Inch Commercial 1 1/2 Inch Commercial 2 Inch Commercial 3 Inch Commercial 6 Inch Commercial 6 Inch Commercial 8 Inch Commercial 8 Inch Commercial Subtotal 3 Inch Hydrant Fire Lines 4 Inch Fire Lines 8 Inch Fire Lines 8 Inch					
5/8X3/4 Inch Commercial 3/4 Inch Commercial 1 Inch Commercial 1 1/2 Inch Commercial 2 Inch Commercial 3 Inch Commercial 6 Inch Commercial 6 Inch Commercial 8 Inch Commercial 8 Inch Commercial 8 Inch Commercial 9 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch					
5/8X3/4 inch Commercial 3/4 inch Commercial 1 inch Commercial 2 inch Commercial 3 inch Commercial 6 inch Commercial 6 inch Commercial 8 inch Commercial 8 inch Commercial 8 inch Commercial 8 inch Commercial 1 inch Commercial 8 inch Commercial 8 inch Commercial 9 inch Commercial 1 inch Commercial 8 inch Commercial 9 inch Commercial 1 inch Commercial 8 inch Commercial 9 inch Fire Lines 6 inch Fire Lines 6 inch Fire Lines 8 inch					
3/4 Inch Commercial 1 Inch Commercial 1 1/2 Inch Commercial 2 Inch Commercial 3 Inch Commercial 6 Inch Commercial 6 Inch Commercial 8 Inch Commercial 8 Inch Commercial 9 Inch Hydrant Fire Lines 4 Inch Fire Lines 6 Inch Fire Lines 6 Inch	6,082	5 29.50	5 35.72	6.22	21.08%
1 Inch Commercial 1 1/2 Inch Commercial 2 Inch Commercial 3 Inch Commercial 6 Inch Commercial 8 Inch Commercial 8 Inch Commercial 9 Inch Hydrant Fire Lines 4 Inch Fire Lines 6 Inch Fire Lines 6 Inch	1,639	18.62	21.54	2.92	15.69%
1 1/2 Inch Commercial 2 Inch Commercial 3 Inch Commercial 4 Inch Commercial 6 Inch Commercial 8 Inch Commercial 3 Inch Hydrant Fire Lines 4 Inch Fire Lines 6 Inch Fire Lines 6 Inch	13,193	65.78	82.08	16.30	24.77%
2 Inch Commercial 3 Inch Commercial 4 Inch Commercial 6 Inch Commercial 8 Inch Commercial Subtotal 3 Inch Hydrant Fire Lines 4 Inch Fire Lines 6 Inch Fire Lines 8 Inch	32,885	146.19	182.99	36.81	25.18%
3 Inch Commercial 4 Inch Commercial 6 Inch Commercial 8 Inch Commercial Subtotal 3 Inch Hydrant Fire Lines 8 Inch Fire Lines 8 Inch Fire Lines 8 Inch	68,942	284.57	348.85	64.27	22.59%
4 Inch Commercial 6 Inch Commercial 8 Inch Commercial Subtotal 3 Inch Hydrant Fire Lines 6 Inch Fire Lines 6 Inch Fire Lines 8 Inch	143,395	580.06	711.47	131.42	22.66%
6 Inch Commercial 8 Inch Commercial Subtotal 3 Inch Hydrant Fire Lines 6 Inch Fire Lines 6 Inch Fire Lines 8 Inch	285,797	1,071.79	1,329.65	257.86	24.06%
8 Inch Commercial Subtotal 3 Inch Hydrant Fire Lines 6 Inch Fire Lines 6 Inch Fire Lines 8 Inch	77,959	922.29	1,065.87	143.58	15.57%
Subtotal 3 Inch Hydrant Fire Lines 6 Inch Fire Lines 6 Inch Fire Lines 6 Inch	11,459	1,225.32	1,383.74	158.41	12.93%
3 Inch Hydrant Fire Lines 4 Inch Fire Lines 6 Inch					
3 Inch Hydrant Fire Lines 4 Inch Fire Lines 6 Inch					
Fire Lines 4 Inch Fire Lines 6 Inch Fire Lines 9 Inch	102,817	519.66	609.07	89.41	17.21%
Fire Lines 6 Inch Fire Lines 8 Inch	,	10.00	10.00	ı	0.00%
	,	15.00	15.00	•	0.00%
	0	35.00	35.00	0	%00.0
				•	

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Customer Summary

Exhibit Settlement Schedule H-2 Page 2 Witness: Bourassa

	Proposed increase	Amount	17 18%	RO 72%	22.67%							17.94%									%00.0	%00.0	8000	
	Proposed Dollar	Amount	3.76	1.0	10.69			3.46	283	11.32	27.36	32.43	103.93	199.49	139.52	153 72			24.78) 	•		•	
	Bill Proposed	Rates	25.67	29.93	57.84			23.99	21 15	60.68	142.66	213.21	598.01	1.088.69	1,047.53	1 362 56			342.30	10.00	15.00	35.00	3	
			¥.	•				49	•											49	₩.	•		
	Median Bill Present Pro	Rates	2191	18 63	47.16			20.53	18.32	49.37	115.31	180.78	494.08	889.20	908.02	1,208.84			317.52	10.00	15.00	35.00		
			И	•				69	٠											69	69			
	Median	Consumption	4.500	2.500	5,500			2.500	1.500	6,500	20,500	27,500	111,786	218,670	71,500	4.000			28,500	•	•	0	ı	
(a) Average Number of	Customers at	12/31/2014	8,653	109	9	1	8,759	335	9	149	108	289	26	Q	_	-	921		7	134	36	7	9,873	
		eter Size, Class	ı Residential	Residential	Residential		Subtate	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Subtotal		Hydrant	Fire Lines 4 Inch	Fire Lines 6 Inch	Fire Lines 8 Inch	Total	
		ž	힏	3/4 Inch	1 Inch			5/8X3/4 Inch	3/4 Inch	1 inch	1 1/2 Inch	2 Inch	3 Inch	4 Inch	6 Inch	8 Inch			3 Inch					
	Line	S S	-	7	ო	r k	ာဖ	7	æ	on.	10	Ξ	12	.	_ 4	5	16	17	18	13	20	21	22	23

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year. 2 2 2

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Present and Proposed Rates

Settlement Schedule H-3 Witness: Bourassa Page 1

Exhibit

	Pres	ī	Proposed			Percent	
Monthly Usage Charge for:	Rates	_ w	Rates		Change	Change	
Meter Size (All Classes):		1					
5/8 inch	₩	15.00 \$	16.89	₩	1.89	12.60%	
3/4 Inch		15.00	25.34		10.34	68.90%	
1 inch		35.00	42.23		7.23	20.64%	
1 1/2 Inch		70.00	84.45		14.45	20.64%	
2 Inch		120.00	135.12		15.12	12.60%	
3 Inch		240.00	270.24		30.24	12.60%	
4 Inch		375.00	422.25		47.25	12.60%	
6 inch		750.00	844.50		94.50	12.60%	
8 Inch	÷	200.00	1,351.20		151.20	12.60%	
10 Inch	K		1,942.35				
12 Inch	Z		3,631.35				

Line		Present	Proposed
휭	Monthly Usage Charge for:	Rates	Rates
-	Meler Size (All Classes):		
7	5/8 inch \$	15.00	\$ 16.89 \$
7	3/4 Inch		25.34
က	1 Inch	35.00	42.23
4	1 1/2 inch	70.00	84.45
so.	2 Inch	120.00	135.12
9	3 Inch	240.00	270.24
7	4 Inch	375.00	422.25
80	6 Inch	750.00	844.50
O)	8 Inch	1,200.00	1,351.20
10	10 Inch	N	1,942.35
7	12 Inch	N	3.631.35
7			
,	Low income Tariff - A 15% discount is available to qualified residential customers meeting the low income qualifications	eting the low income	qualifications.
4			
15	Fire Lines 8 Inch (R-14-2-408.B)	Per Rule*	Per Rule
16	Fire Lines 10 Inch (R-14-2-408.B)	Per Rule*	Per Rule*
17	Fire Lines 12 Inch (R-14-2-408.B)	Per Rule*	Per Rule
18			
19	* Note 1: 2% of the equivalent monthly meter size or \$10 whichever is greater for all meter sizes	eter sizes.	
20			
21			
22	Gallons in Minimum (All Classes)		r
23			
74			
25	Commodity rates - see pages 2 and 3.		
58			
27			
28			
53			
30			
£ 6			
7 6			
8 R	LOW income I ann - A 15% discount is available on monthly minimum and commodity charges to qualified resi the low income qualifications.	nd commodity cha	rges to qualified res
35			
98	NT = No Tariff		
37			

^{*} Note 1: 2% of the equivalent monthly meter size or \$10 whichever is greater for all meter sizes.

Gallons in Minimum (All Classes)

¹ Low Income Tariff - A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the low income qualifications.

Liberty Utilities (Belia Vista Water) Corp. Test Year Ended December 31, 2014 Present and Proposed Rates

Exhibit Settlement Schedule H-3 Page 2 Witness: Bourassa

Commodity Rates	Block	ā Œ.	(Per 1,000 gallons) Present Propo	gallor	illons) Proposed Rates ¹
5/8x3/4 inch Residential	0 gallons to 4,000 gallons		1.45	(A)	1.84
	4,000 gallons to 10,000 gallons	6 9	2.21	w	2.84
	over 10,000 gallons	₩	2.72	₩	3.59
5/8x3/4 Inch Commercial	0 gallons to 4,000 gallons	ss.	2.21	b	2.84
	over 4,000 gallons	↔	2.72	69	3.59
3/4 Inch Residential	0 gallons to 4,000 gallons	₩	1.45	₩3	184
	4,000 gallons to 10,000 gallons	69	2.21	43	2.84
	over 10,000 gailons	67	2.72	69	3.59
3/4 Inch Commercial	0 gallons to 4,000 gallons	69	2.21	₩	2.84
	over 4,000 gallons	s	2.72	4	3.59
1 Inch Meter All Classes (Except Standpipe)	0 gallons to 10,000 gallons	67)	2.21	69	2.84
	over 10,000 gallons	ь	2.72	69	3.59
1.5 Inch Meter All Classes (Except Standpipe)	0 gallons to 26,000 gallons	v3	2.21	€	2.84
	over 26,000 gallons	•	2.72	₩	3.59
2 Inch Meter All Classes (Except Standpipe)	0 gallons to 45,000 gallons	s	2.21	₩	2.84
	over 45,000 gallons	ss.	2.72	69	3.59
3 Inch Meter Classes (Exept Standpipe)	0 gailons to 98,000 gallons	63	2.21	49	2.84
	over 98,000 gallons	43	2.72	63	3.59
1 tow Income Tariff - A 15% discount is available on monthly minimum and commodity charges to qualified residential distrimers may	n monthly minimum and commodity.	charges t	o qualified	e Poside	in the second se
the low income qualifications.					
NT = No Tariff					

¹ tow Income Tariff - A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the low income qualifications.

NT = No Tariff

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014 Present and Proposed Rates

Settlement Schedule H-3 Page 3 Witness: Bourassa

Commodity Rates (All Classes)		<u> </u>	(Per 1,000 gallons) Present Propo	gallons	lions) Proposed Rates
4 Inch Meter All Classes (Except Standpipe)	0 gailons to 158,000 gallons over 158,000 gallons	· · • •	2.21	ب ده	2.84
6 Inch Meter All Classes (Except Standpipe)	0 gallons to 327,000 gallons	• •	2.21	. . ,	2.82
	over 327,000 gallons	us.	2.72	\$	3.59
8 Inch Meter All Classes (Except Standpipe)	0 gallons to 584,000 gallons	69 (2.21	6	2.84
	over 584,000 gallons	1 9	2.72	so.	3.59
10 Inch Meter All Classes (Except Standpipe)	0 gallons to 870,000 gallons		ΤN	s,	2.84
	over 870,000 gallons		F	∨ >	3.59
10 Inch Meter All Classes (Except Standpipe)	0 gallons to 1,500,000 gallons		۲	69	2.84
	over 1,500,000 gallons		Ä	₩	3.59
Standpipe (hydrant, bulk)	All gallons	₩	2.72	6 5	3.59

¹ Low income Tariff - A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the low income qualifications. $\frac{N_0}{N_0} = \frac{1}{100}$

Liberty Utilities (Bella Vista Water) Corp. Changes in Representative Rate Schedules Test Year Ended December 31, 2014

Exhibit
Settlement Schedule H-3
Page 4
Witness: Bourassa

Line		F	resent	1	Proposed
<u>No.</u>	Other Service Charges		Rates		Rates
1	Establishment	\$	30.00	\$	25.00
2	Establishment (After Hours)	\$	45.00	•	remove
3	Reestablishment (within 12 months)		(a)		(a)
4	Reconnection (Delinquent)	\$	30.00	\$	20.00
5	Reconnection (Delinquent) (After Hours)	\$	45.00	•	remove
6	Meter test (If Correct)	\$	30.00	\$	30.00
7	Meter Reread (if Correct)	\$	15.00	Š	20.00
8	Deposit	•	(c)	•	(c)
9	Deposit Interest		(c)		6%(c)
10			(-)		G 70(G)
11	NSF Check	\$	15.00	\$	10.00
12	Meter Reread (if Correct)	\$	15.00	\$	20.00
13	Late Payment Penalty	•	(d)	•	(d)
14	Deferred Payment (R-01-2-409.G)	1.5%	per month	1.59	6 per month
15	Moving meter at customer request (R-14-2-405.B)		t Cost	1.07	at Cost
16	After Hours Service Charge(e)	\$	50.00	\$	50.00
17		•	30.00	Ψ	30.00

18

- 19 (a) Minimum charge times number of full months off the system per A.A.C. R-14-2-403 (D).
- 20 (b) Customer shall pay the cost of physical disconnection plus Establishment charge (if same customer) and there shall be no charge for disconnection if no work is performed.
- (c) Per Commission Rule A.A.C. R14-2-403(B):
 Residential two times the average bill;
 - Commercial two and one-half times the average bill.
- 25 (d) 1.5% of unpaid balance.
- 26 (e) At customer request. No charge for service during normal working hours. 27

28 29

24

30 IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM
31 ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE
32 TAX. PER COMMISSION RULE 14-2-409D(5).

Liberty Utilities (Bella Vista Water) Corp. Test Year Ended December 31, 2014

Meter and Service Line Charges

Exhibit

Settlement Schedule H-3

Page 5

Proposed Meter Install-

ation

Charge

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

Witness: Bourassa

Total

Proposed

<u>Charge</u>

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

At Cost

Line <u>No.</u> 1 2	Refundable Meter and	Service Line	<u>Charges</u>		
3					
4			Present		
5		Present	Meter		Proposed
6		Service	Install-	Total	Service
7		Line	ation	Present	Line
8		<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>
9	5/8 x 3/4 Inch	1,765.00	105.00	1,870.00	At Cost
10	3/4 Inch	1,765.00	180.00	1,945.00	At Cost
11	1 Inch	1,765.00	240.00	2,005.00	At Cost
12	1 1/2 Inch	At Cost	At Cost	At Cost	At Cost
13	2 Inch Turbine	At Cost	At Cost	At Cost	At Cost
14	2 Inch Compund	At Cost	At Cost	At Cost	At Cost
15	3 Inch Turbine	At Cost	At Cost	At Cost	At Cost
16	3 Inch Compund	At Cost	At Cost	At Cost	At Cost
17	4 Inch Turbine	At Cost	At Cost	At Cost	At Cost
18	4 Inch Compound	At Cost	At Cost	At Cost	At Cost
19	6 inch Turbine	At Cost	At Cost	At Cost	At Cost
20	6 inch Compund	At Cost	At Cost	At Cost	At Cost
21	8 Inch & Larger	At Cost	At Cost	At Cost	At Cost
22					
23					
24					
25					
26					
27					
28					
29					

Liberty Utilities (Bella Vista Water) Corp.

Test Year Ended December 31, 2014 Hook-Up Fees Exhibit Settlement Schedule H-3 Page 6 Witness: Bourassa

Line
No.
1
_

2 Off-site Facilities Hook-up Fee

3						
4			Present		P	roposed
5		Size Factor	Charge	Size Factor	9	Charge
6	5/8 x 3/4 Inch	1	\$ 1,600	1	\$	1,600
7	3/4 Inch	1.5	2,400	1.5		2,400
8	1 Inch	2.5	4,000	2.5		4,000
9	1 1/2 Inch	5	8,000	5		8,000
10	2 Inch	8	12,800	8		12,800
11	3 Inch	16	25,600	16		25,600
12	4 Inch	25	40,000	25		40,000
13	6 Inch or larger	50	80,000	50		80,000
14						

29 NT = no tariff

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division
Test Year Ended December 31, 2014
Computation of Increase in Gross Revenue Requirements As Adjusted

Exhibit Settlement Schedule A-1 Page 1 Witness: Bourassa

Line									
No.									
1	Fair Value Rate	e Base					\$	10,454,760	
3	Adjusted Open	ating income					\$	305,770	
4 5	Current Rate o	f Return						2.92%	
6 7	Required Oper	rating income					\$	807,107	
8 9 10	Required Rate	of Return on Fair Value Rate Base						7.72%	
11 12	Operating Inco	me Deficiency					\$	501,337	
13 14	Gross Revenu	e Conversion Factor						1.6242	
15	Increase in Gro	oss Revenue							
16	Requirement						\$	814,262	
17 18	Adjusted Test	Year Revenues					\$	3,072,169	
19		ess Revenue Revenue Requirement					\$	814,262	
20		snue Requirement					\$	3,886,431	
21	% Increase							26.50%	
22				. .					_
23 24	Customer Classification			Present <u>Rates</u>		Proposed Rates		Dollar	Percent
25	5/8X3/4 Inch	Residential	5		\$	3,028,891	\$	Increase 648,757	<u>Increase</u> 27.26%
26	3/4 Inch	Residential	`	4,550	•	5,750	*	1,199	26.36%
27	1 inch	Residential		31,958		40,224		8,266	25.87%
28	1 1/2 Inch	Residential		5,704		7,191		1,488	26.08%
29	2 inch	Residential		6,720		8,469		1,749	26.03%
30		Subtotal	_	2,429,066		3,090,525		661,459	27.23%
31						-			0.00%
32	5/8X3/4 Inch	Commercial		47,700		60,584		12,884	27.01%
33	1 inch	Commercial		99,874		125,091		26,217	26.25%
34	1 1/2 Inch	Commercial		19,775		24,852		5,077	25.67%
35	2 Inch	Commercial		144,375		182,347		37,972	26.30%
36	3 Inch	Commercial		37,364		47,199		9,835	26.32%
37	4 Inch	Commercial		56,854		72,706		15,852	27.88%
38		Subtotal		405,943		513,779		107,836	26.56%
39				-		-		•	0.00%
40	5/8X3/4 Inch	School		383		489		106	27.76%
41	1 1/2 Inch	School		969		1,231		262	27.04%
42	2 Inch	School		31,055		39,009		7,954	25.61%
43	3 Inch	School		62,589		79,048		16,460	26.30%
44	4 Inch	School		12,624		16,074		3,450	27.33%
45 46	6 Inch	School		30,503		38,234		7,731	25.35%
40 47		Subtotal		138,122		174,084		35,963	26.04% 0.00%
48	5/8X3/4 Inch	Industrial		3,095		3,937		842	27.20%
49	2 Inch	Industrial		33,159		41,811		8,652	26.09%
50		Subtotal	_	36,254		45,748		9,493	26.19%
51				-		-		-	0.00%
52	5/8X3/4 Inch	Multi-family		3,659		4,640		981	26.81%
53	1 1/2 Inch	Multi-family		1,258		1,590		331	26.32%
54		Subtotal	_	4,917		6,230		1,312	26.68%
55				-		-		-	0.00%
56	6 Inch	Bulk		36,310		43,557		7,247	19.96%
57		Fire Lines up to 8 Inch		1,085		1,085		-	0.00%
58	Hanna Marin M	matina Adhintan na							
59	-	zation Adjustment		(57,384)		(71,087)		(13,703)	23.88%
60	Revenue Annu	акавоп	-	27,094		33,310	_	6,216	22.94%
61 62	Subtotal		\$	3,021,407	*	3,837,230	\$	815,823	27.00%
62 63	Other Water Re	ovenues 1		48,254		40.054			0.000
64	Reconciling An			2,508		48,254 947		- /4 EQ4\	0.00%
65	Rounding	·==::		2,500		34/		(1,561)	-62.25% 0.00%
66	Total of Water	Revenues	<u></u>	3,072,169	\$	3,886,431	\$	814,262	26.50%
67		-		_,,		5,550,401	Ť	0.17,202	20.00 %

SUPPORTING SCHEDULES: B-1 C-1

H-1

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014

Summary of Rate Base

Exhibit

Settlement Schedule B-1

Page 1

Witness: Bourassa

Line <u>No.</u> 1		riginal Cost Rate base	Fair Value <u>Rate Base</u>		
2	Gross Utility Plant in Service Less: Accumulated Depreciation	\$ 38,554,845 16,404,740	\$	38,554,845 16,404,740	
4 5 6	Net Utility Plant in Service	\$ 22,150,105	\$	22,150,105	
7	Less:				
8 9	Advances in Aid of Construction	976,558		976,558	
10 11	Contributions in Aid of Construction	20,261,911		20,261,911	
12 13	Accumulated Amortization of CIAC	(10,380,413)		(10,380,413)	
14 15	Customer Meter Deposits Custmer Security Deposits	332,034		332,034	
16 17 18	Accumulated Deferred Income Tax	545,895		545,895	
19 20	Plus:				
21	Deferred Regulatory Assets TCE Plume	_		_	
22	Prepayments	1,508		1,508	
23	Materials and Supplies	-		-	
24 25	Working capital	39,133		39,133	
26 27	Total Rate Base	\$ 10,454,760	\$	10,454,760	
28 29					

SUPPORTING SCHEDULES:

42 B-2

43 B-3 44 B-5

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014

Original Cost Rate Base Proforma Adjustments

Exhibit

Settlement Schedule B-2

Page 1

Witness: Bourassa

Line <u>No.</u> 1	Gross Utility		Adjusted at end of <u>Test Year</u>	Proforma <u>Adjustment</u>		Settlement Adjusted at end of Test Year
2	Plant in Service	\$	27 204 524	4 470 040	_	
3	Flant III Selvice	Ф	37,384,534	1,170,312	\$	38,554,845
4	Less:					
5	Accumulated					
6	Depreciation		16,309,712	95,028		16 404 740
7	,		10,000,1 (2	33,020		16,404,740
8						
9	Net Utility Plant					
10	in Service	\$	21,074,821		\$	22,150,105
11		•			•	22,100,103
12	Less:					
13	Advances in Aid of					
14	Construction		976,558	•		976,558
15			•			070,000
16	Contributions in Aid of					
17	Construction - Gross		20,261,911	-		20,261,911
18						20,201,011
19	Accumulated Amortization of CIAC		(10,388,151)	7,738		(10,380,413)
20			,	,		(10,000,110)
21	Customer Meter Deposits		332,034	-		332,034
22	Custmer Security Deposits		-	_		-
23	Accumulated Deferred Income Tax		1,121,537	(575,642)		545,895
24				• •		•
25						-
26						
27	Plus:					
28	D.(10 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					
29	Deferred Regulatory Assets TCE Plume		-			-
30	Prepayments		1,508			1,508
31 32	Materials and Supplies		-			-
33	Working capital		89,192	(50,059)		39,133
34						-
35	Total	\$	0.064.633			
36	· Otal	-	8,861,632	•	\$	10,454,760
37						
38						
39						
40						
41						
42						
43						
44						
45						
46	SUPPORTING SCHEDULES:			מב	CAPSC	HEDULES:
47	B-2, page 2			<u>._</u> B-1		ILUULLO.
48	-			D-1		

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments

Settlement Schedule B-2

Page 2 Exhibit

976,558 38,554,845 16,404,740 (10,380,413)1,508 22,150,105 332,034 545,895 39,133 20,261,911 10,454,760 Settlement Witness: Bourassa Test Year Adjusted at end ō s 4 (50,059)(50.059)Working <u>Capital</u> <u>6</u> Cash ₩ (575,642)575,642 ADIT (C) G) Proforma Adjustments AIAC (7,738) 7,738 CIAC (95,028) \$ (95,028) \$ 95,028 Depreciation Accumulated ₩ \$ 8,861,632 \$ 1,170,312 \$ \$ 21,074,821 \$ 1,170,312 1,170,312 Service Plant-in-(10,388,151) \$ 37,384,534 16,309,712 332,034 1,508 1,121,537 89,192 976,558 20,261,911 **Test Year** Adjusted at end Customer Security Deposits Accumulated Deferred Income Taxes Materials and Supplies Allowance for Cash Working Capital Accumulated Amort of CIAC Deferred Regulation Assets **Customer Meter Deposits** Contributions in Aid of Construction (CIAC) Advances in Aid of Plant in Service Net Utility Plant Construction Depreciation Accumulated Gross Utility Prepayments in Service Less: Less: Plus: Total

SUPPORTING SCHEDULES:

B-2, pages 3-7

RECAP SCHEDULES: 8-1

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Original Cost Rale Base Proforma Adjustments Adjustment Number 1

Exhibit Settlement Schedule B-2 Page 3 Witness: Bourassa

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - A

Exhibit Settlement Schedule B-2 Page 3.1 Witness: Bourassa

Line <u>No.</u>											
1	Plant R	edass									
2											
3 4	Acct.							2014			
5	No.	Description		2042		2540	0014	330			
6	301	Description Organization Cost	\$	2012	\$	2013 - \$	<u>2014</u>	Reclass	PTY	_	<u>Total</u>
7	302	Franchise Cost	Ф	-	₽	- •	· -			\$	-
8	303	Land and Land Rights				-	-				-
9	304	Structures and Improvements				-	(79,773)		189,417		109,643
10	305	Collecting and Impounding Res.				-	(, 0,,, 0,		700,411		105,045
11	306	Lake River and Other Intakes				-	-				_
12	307	Wells and Springs				-	•				-
13	308	Infiltration Galleries and Tunnels				_	-				-
14	309	Supply Mains				-	-				_
15	310	Power Generation Equipment				-	-				-
16	311	Electric Pumping Equipment				-	-		304,005		304,005
17	320	Water Treatment Equipment				-	(369,996)				(369,996)
18 19		Water Treatment Plant Chemical Solution Feeders				-	369,996				369,996
20	330	Dist. Reservoirs & Standpipe				-	-	(750,000)			
21		Storage tanks				-	-	(759,320)			(759,320)
22		Pressure Tanks				-		689,686 69,634			689,686
23	331	Trans. and Dist. Mains				-	_	09,034			69,634
24	333	Services				•	-				-
25	334	Meters				_	-				-
26	335	Hydrants				_	•				-
27	336	Backflow Prevention Devices				-	-				-
28	339	Other Plant and Misc. Equip.				•	-				-
29	340	Office Furniture and Fixtures				(79,694)	(1,159)				(80,853)
30		Computers and Software				79,694	1,159				80,853
31	341	Transportation Equipment				•	-				-
32 33	342 343	Stores Equipment				-	-				-
34	344	Tools and Work Equipment Laboratory Equipment				(5,148)	-				(5,148)
35	345	Power Operated Equipment				-	-				-
36	346	Communications Equipment				5,148	79.773				
37	347	Miscellaneous Equipment				J, 140 -	19,773				84,921
38	348	Other Tangible Plant				-	_				-
39		Rounding									- 1
40		TOTALS	\$	-	\$	(0) \$	(0) \$	(0) \$	493,422 \$-	<u>s</u>	493,422
41								1-7			700,722
42											
43		RTING SCHEDULE						RI	ECAP SCHEDU	LES:	
44	Work pa	pers							2, page 3		
45									· · •		

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division
Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1 - B

Exhibit Settlement Schedule B-2 Page 3.2 Witness: Bourassa

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Line <u>No.</u>		anted Disch	
1 2	Unsupp	ported Plant	
3			
4	Acct.		Original
5	<u>No.</u>	Description	Cost
6	301	Organization Cost	\$ -
7	302	Franchise Cost	-
8	303	Land and Land Rights	-
9	304	Structures and Improvements	-
10	305	Collecting and Impounding Res.	•
11	306	Lake River and Other Intakes	-
12 13	307	Wells and Springs	•
14	308 309	Infiltration Galleries and Tunnels	-
15	310	Supply Mains	•
16	310	Power Generation Equipment Electric Pumping Equipment	-
17	320	Water Treatment Equipment	•
18		Water Treatment Plant	-
19		Chemical Solution Feeders	-
20	330	Dist. Reservoirs & Standpipe	-
21	330.1		-
22		Pressure Tanks	•
23	331	Trans. and Dist. Mains	• -
24	333	Services	_
25	334	Meters	_
26	335	Hydrants	
27	336	Backflow Prevention Devices	-
28	339	Other Plant and Misc. Equip.	-
29	340	Office Furniture and Fixtures	•
30	340.1	Computers and Software	-
31	341	Transportation Equipment	-
32	342	Stores Equipment	•
33	343	Tools and Work Equipment	•
34	344	Laboratory Equipment	-
35	345	Power Operated Equipment	•
36	346	Communications Equipment	-
37	347	Miscellaneous Equipment	•
38	348	Other Tangible Plant	-
39		TOTAL	
40		TOTAL	\$ -
41			
42 43	SHIDDO	OTING SCHEDULE	
44	Work pa	RTING SCHEDULE	RECAP SCHEDULES:
45	- FOIR Pa	μοτο	B-2, page 3

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - C

Exhibit Settlement Schedule B-2 Page 3.3 Witness: Bourassa

Line <u>No.</u>											
1 <u>10.</u> 1	Plant T	PIA LIS									
2	<u>riaiii. I</u>	ue-up									
3											
4	Acct.										
5	No.	Description		2012		2012		204.4	nm.		
6	301	Organization Cost	\$	2012	\$	2013	•	<u>2014</u>	<u>PTY</u>	_	<u>Total</u>
7	302	Franchise Cost	•	•	Þ	-	\$	•	-	\$	-
8	303	Land and Land Rights						-	=		-
9	304	Structures and Improvements						•	-		•
10	305	Collecting and Impounding Res.						-	45,025		45,025
11	306	Lake River and Other Intakes						•	-		-
12	307	Weils and Springs						-	•		-
13	308	Infiltration Galleries and Tunnels						•	•		-
14	309	Supply Mains						-	-		~
15	310	Power Generation Equipment						-	-		-
16	311	Electric Pumping Equipment						0.000	-		•
17	320	Water Treatment Equipment						2,390	62,505		64,896
18		Water Treatment Plant						-	•		-
19		Chemical Solution Feeders						43.4	-		-
20	330	Dist. Reservoirs & Standpipe						434	-		434
21	330.1	Storage tanks						-	-		-
22		Pressure Tanks						•	-		-
23	331	Trans, and Dist. Mains						3.942	- 60 455		-
24	333	Services						35,144	56,155		60,098
25	334	Meters						35, 144	385,225		420,369
26	335	Hydrants						-	45,411 1,138		45,411
27	336	Backflow Prevention Devices						-	1,136		1,138
28	339	Other Plant and Misc. Equip.						-	•		-
29	340	Office Furniture and Fixtures						-	-		-
30	340.1	Computers and Software							1,800		4 000
31	341	Transportation Equipment						_	1,000		1,800
32	342	Stores Equipment							-		-
33	343	Tools and Work Equipment						_	8,117		0 1 1 7
34	344	Laboratory Equipment						_	0,117		8,117
35	345	Power Operated Equipment						-	-		-
36	346	Communications Equipment						_	-		-
37	347	Miscellaneous Equipment						_	_		-
38	348	Other Tangible Plant						•			-
39		•							-		-
40		TOTALS	\$	-	\$	-	\$	41,910 \$	605,376	S	647,286
41			_							<u> </u>	V41,200

43 SUPPORTING SCHEDULE 44 45

Work papers

42

RECAP SCHEDULES: B-2, page 3

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1 - D

Exhibit Settlement Schedule B-2 Page 3.4 Witness: Bourassa

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Line	·		
No.			
1 2			
3			
4	Acct.		Original
5	No.	Description	<u>Cost</u>
6	301	Organization Cost	\$ -
7	302	Franchise Cost	•
8	303	Land and Land Rights	•
9	304	Structures and Improvements	-
10	305	Collecting and Impounding Res.	•
11	306	Lake River and Other Intakes	•
12 13	307 308	Wells and Springs	-
14	309	Infiltration Galleries and Tunnels Supply Mains	-
15	310	Power Generation Equipment	-
16	311	Electric Pumping Equipment	•
17	320	Water Treatment Equipment	-
18	320.1	Water Treatment Plant	•
19		Chemical Solution Feeders	•
20	330	Dist. Reservoirs & Standpipe	•
21	330.1		-
22		Pressure Tanks	•
23 24	331 333	Trans. and Dist. Mains	-
25	334	Services Meters	-
26	335	Hydrants	-
27	336	Backflow Prevention Devices	-
28	339	Other Plant and Misc. Equip.	-
29	340	Office Furniture and Fixtures	-
30	340.1	Computers and Software	<u>.</u>
31	341	Transportation Equipment	-
32	342	Stores Equipment	•
33	343	Tools and Work Equipment	•
34 35	344 345	Laboratory Equipment	•
36	346	Power Operated Equipment Communications Equipment	•
37	347	Miscellaneous Equipment	•
38	348	Other Tangible Plant	-
39			•
40		TOTAL	\$ -
41			
42			
43		RTING SCHEDULE	RECAP SCHEDULES:
44 4E	Work pa	pers	B-2, page 3
45			

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1 - E

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Exhibit Settlement Schedule B-2 Page 3.5 Witness: Bourassa

RECAP SCHEDULES: B-2, page 3

Line			
No.			
1			
2			
3			
4	Acct.		Original
5	No.	Description	Cost
6	301	Organization Cost	\$ -
7	302	Franchise Cost	4
8	303	Land and Land Rights	•
9	304	Structures and Improvements	-
10	305	Collecting and Impounding Res.	•
11	306	Lake River and Other Intakes	-
12	307	Wells and Springs	-
13	308	Infiltration Galleries and Tunnels	_
14	309	Supply Mains	-
15	310	Power Generation Equipment	-
16	311	Electric Pumping Equipment	• -
17	320	Water Treatment Equipment	<u>-</u>
18	320.1		<u>_</u>
19	320.2	Chemical Solution Feeders	_
20	330	Dist. Reservoirs & Standpipe	
21	330.1		
22	330.2		_
23	331	Trans. and Dist. Mains	_
24	333	Services	·
25	334	Meters	<u>.</u>
26	335	Hydrants	_
27	336	Backflow Prevention Devices	_
28	339	Other Plant and Misc. Equip.	•
29	340	Office Furniture and Fixtures	
30	340.1		-
31	341	Transportation Equipment	
32	342	Stores Equipment	-
33	343	Tools and Work Equipment	-
34	344	Laboratory Equipment	•
35	345	Power Operated Equipment	-
36	346	Communications Equipment	-
37	347	Miscellaneous Equipment	-
38	348	Other Tangible Plant	•
39			
40		TOTAL	\$ -
41			
42			
42	0110000	STUG COURSE	

43 44

45 46 SUPPORTING SCHEDULE

Work papers

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - F

Exhibit Settlement Schedule B-2 Page 3.6 Witness: Bourassa

Line								
No.	^	de Diesa						
1 2	Corpore	ate Plant	(4)	(6)	rai	743		
3			[1]	[2] Liberty	[3] Rio Rico	[4] = [1] x [2] x [3]	5	
4	Acct.		Orginal	Utilities	Water	Allocated Rebuttal Orginal	Direct	
5	No.	Description	Cost	Factor	Factor	Cost	Orginal Cost	Increase (Decrease)
6	903	Land and Land Rights	1,312,818	12.94%		13,896	13,956	(60)
7	904	Structures and Improvments	11,123,684	12.94%		117,743	125,550	(7,807)
8	940.1	Computers and Software	2,187,630	12.94%	8.18%	23,156	21,866	1,289
9						,	- 1,544	,,200
10								
11	LU Sub	-Corp. Plant						
12								-
13	903	Land and Land Rights	-		8.18%	•	-	-
14 15	904 940	Structures and Improvments	405,370		8.18%	33,159	25,907	7,252
16	940.1	Office Furniture and Equipmen Computers and Software			8.18%	21,080	16,470	4,610
17	3 -1 0. I	Computers and Software	1,359,281		8.18%	111,189	86,871	24,318
18								
19								
20								
21								
22								
23								
24								
25 26								
27								
28								
29								
30								
31								
32								
33								
-								
		TOTALS	\$ 18 8AS AS 7		_	050.50		
		101740	Ψ ΙΟ _Ι Ο4Ο ₁ 40/			320,224	5 290,620	\$ 29,604
43								
44	SUPPOR	RTING SCHEDULE			RECAP SCHEDU	F\$		
45	Work pa					<u></u>		
46	•				, F-3			
33 34 35 36 37 38 39 40 41 42 43 44		TOTALS RTING SCHEDULE pers	\$ 16,646,487		RECAP SCHEDU! 8-2, page 3	,	\$ 290,620	\$ 29,604

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division

Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - G

Exhibit Settlement Schedule B-2 Page 3.7 Witness: Bourassa

Reconciliation of Plant to Plant Reconstruction

2							
3					Adjusted	Plant	
4	Acct.		Orginal	B-2	Orginal	Per	
5	<u>No.</u>	<u>Description</u>	<u>Cost</u>	<u>Adjustments</u>	<u>Cost</u>	Reconstruction	Difference
6	101	Plant-in-Service	•	-	-	-	-
7	301	Organization Cost	5,785	-	5,785	5,785	-
8	302	Franchise Cost	417	-	417	417	-
9	303	Land and Land Rights	45,968	-	45,968	45,968	-
10	304	Structures and Improvements	3,030,713	154, 6 68	3,185,381	3,185,381	-
11	305	Collecting and Impounding Res.	-	•	-	-	•
12	306	Lake River and Other Intakes	-	-	-	-	-
13	307	Wells and Springs	505,898	-	505,898	505,898	0
14	308	Infiltration Galleries and Tunnels	-	-	-	-	-
15	309	Supply Mains	272,502	-	272,502	272,502	-
16	310	Power Generation Equipment	219,360	-	219,360	219,360	-
17	311	Electric Pumping Equipment	1,952,570	368,900	2,321,470	2,321,470	-
18	320	Water Treatment Equipment	369,996	(369,996)	0	0	_
19	320.1	Water Treatment Plant	92	369,996	370,088	370,088	-
20	320.2	Chemical Solution Feeders	4,975	434	5,409	5,409	-
21	330	Dist. Reservoirs & Standpipe	759,320	(759,320)	· <u>-</u>	0	0
22	330.1	Storage tanks	1,066	689,686	690,752	690,752	_
23	330.2	Pressure Tanks	144	69,634	69,778	69,778	-
24	331	Trans. and Dist. Mains	22,759,460	60,098	22,819,558	22,819,558	-
25	333	Services	4,034,788	420,369	4,455,157	4,455,157	0
26	334	Meters	1,696,383	45,411	1,741,794	1,741,794	
27	335	Hydrants	635,868	1,138	637,006	637,006	-
28	336	Backflow Prevention Devices	15,855	•	15,855	15,855	-
29	339	Other Plant and Misc. Equip.	123,778	-	123,778	123,778	-
30	340	Office Furniture and Fixtures	115,867	(80,853)	35,014	35,014	-
31	340.1	Computers and Software	76,919	82,652	159,572	159,572	-
32	341	Transportation Equipment	141,853	-	141.853	141,853	
33	342	Stores Equipment	-	_	-	•	_
34	343	Tools and Work Equipment	97,663	2,969	100,632	100.632	_
35	344	Laboratory Equipment	3,061	•	3,061	3,061	_
36	345	Power Operated Equipment	•	-	-	-	-
37	346	Communications Equipment	218,183	84,921	303,104	303,104	_
38	347	Miscellaneous Equipment	5,427	· <u>-</u>	5,427	5,427	_
39	348	Other Tangible Plant	-	-	-, .—.	-	_
40		-				-	_
41		TOTALS	\$ 37,093,913	\$ 1,140,707	38,234,621	\$ 38,234,621	\$ 1

42 43 44

Line <u>No.</u> 1

SUPPORTING SCHEDULE B-2, pages 3.1 through 3.3 46 B-2, pages 3.8 through 3.10 RECAP SCHEDULES: B-2, page 3

													*	Š					
	NARUC	3GC		-	Allowed		Accum.	Plant			Affiliate Profe		Achine	Plant	Actional		10 Months		
ŝ	16 Account	aut.		-	Deprec	Plant at	Depres. At	Additions	F.	i i	T T	ŭ.	1	Referente	Plent	1000	Tenseoletion	1	· ·
윌	%¥ •	ď	Description		Rete	2/28/2012	2729/2013	(Per Books)	Adhurbments	Adjustments	Adicamenta Adicamenta Adicamenta	Adhements	Additions	(Per Books)	Ratiements	AD Only	Calculated	Balance	Dencer
_	30		Organization Cost		%000	5.785	,	•	•		,								
.4	305	_	Franchise Cont	•	%.00 g	417	•	٠						•	•		•	EB/'G	•
4-1	303	_	Land and Land Rights		700	7	•	1 781	•	•	. 6		. !	•	•		•	114	•
•	305	-	Smich rea & Improvements	_	7116	1111 467	EG0 476	100			S ;		1,1,4	•	•		•	45,968	•
	Š	•	Collecting & Innovation Preservoire		2.5030	01.77	074 980	cw/cl	(14,087)	(402,209)	Ē		(401.820)		•	٠	86,348	2,909,837	684,793
. 4	\$ \$		Lake Divice Constitution		2000		,		•					•	•		•	•	•
•	3 3		COURT, CHILDRY PICENCE	•	K.00.3	•							•	•	•		٠	•	•
- 1	8		Welfe & Springs		3.33%	562,937	218,873	•	(39)	(57,000)	1		(57,039)	•	•	1	14,830	505,898	233,803
-	30		Infiltration Galleries		8.07%	,	1		•		•			٠	•		. •		. '
-	ŝ	_	Rew Water Supply Mains		2,00%	279,157	43,831	•	•		•		•		•		4.653	279.157	787 47
-	33		Power Generation Equipment		2,00%	219,360	103,186		1	•				•	•		9 160		
-	31		Pumping Equipment		12.50%	1.601,588	BA3,567	294,201	•	(6.576)	98	٠	287 429	•	•	,	C18 181	•	•
≃	2	_	Weter Treatment Equipment		3,33%	363,442	183,283	. •		6.554		٠	76.	٠.	•		92.9 07	•	90.000
2	320.1		Water Treetment Plants		3,33%	•	-	•	•	1		•							r ch
÷	320.2		Solution Chemical Feeders		20.00%		,		•	•	•					, ,		•	•
÷	330		Distribution Reservoirs & Standpipes		2.22%	759,861	191,697	•								1	14.067		1 100
2	330.1		Storage Tanks	•	2.22%	•	. •	•	٠	•		٠	•	1			Ž.		267,574
=			Pressure Tanks		5.00%	,	,	•	•			,		•			•	•	•
₽		•	Transmission & Distribution Mains			22,337,893	9,566,46B	45,015	(1,492)	(110,946)	8	,	(67,508)	1	•		371.736	22.270.385	9.938.709
\$						2,766,122	369,455	241,161	(385)	(19,340)	(273)		220.083	1	•	•	79,877		
~						1,010,366	536,109	44,270	(587)	(9.037)	(158)		34,489	•	•	1	71,333	1 044,855	
~					2.00%	572,321	184,603	2,005		•	Ē		1,892	•	٠		8,555		
N.				<=2/29/2012	8.87%	B,151	1,453	٠		9,704			9,704	•	•		612		
× .			Other Plant & Misc Equipment		6.67%	123,778	28,627	•	,	•							6,880	123,778	
ĸ.			Priverst		6.67%	29,265	22,865	1,030			Đ	•	1,023		•	•	1,655		
	•	~		Topa I	20:00%	78,919	76,919	•	•				•		1	•	•		76.91
ς.			ransportation Equipment		20 00% 20 00%	142,158	121,824	3,840	•	•	Ę,		3,623	•	•	٠	17,288	-	139,112
ini i		•/	Stores Equipment		8	,	•	1	•		•			•	•		•		•
~		_	looks, Shop & Garnge Equipment	_	5.00%	16,203	11,768	19,658	•	•	(101)		18,931	,		•	1.166	37.734	12.933
Æ.		_	Laboratory Equipment		10.00%	3,061	3,061	•	•	٠			٠		•		•		3.065
*		_	=	•	%00 E		•	,	•	•					•		•		,
-		•	ŧ	¥.	10.00%	212,996	147,813	8,326	•	•	3		8,291	,	,		18,095	221.287	26.585
ö,		_	Wiscellaneous Equipment	,	¥00.0	5,427	278	•	t	1	•		•	•	1		452		52
i.	2	_	Deser Tangeble Plant		10.00%	,			•	•	•		٠	•	•		•		
3 3		Rounding	P	•		8		•	•	,	•		1	•	•		•	Œ	•
- 3		TOTALS			1.	34 454 886	154 BHG 13 754 BK7	675.790	(44 COU)	/8.00 B.4.01	12 17 12		100		ľ			- 1	
1									120,00	1			26,50	1	•	•	699,837		34,523,915 14,654,293

MARUC Description Descri	Description Organization Cent Flenchee Cost Flenchee Cost Land and Land Rights Shocknee & Impronentering Shocknee & Impronentering Shocknee & Impronentering Shocknee & Impronentering Shocknee & Springs Infiliation Calentering Welle & Springs Hower Calenterion Equipment Weller Treatment Equipment Weller Treatment Equipment Weller Treatment Equipment Solution Chemical Feedore Solution Chemical Feedore Shoringe Tenian Pressore I Ennis	Aboved Depter. Rick 0.00% 0.0	Plent Additions (Per Books)	Plant	Affiliate Profit Plant	၌	Adjusted Plant	Plant	Adjusted	Selvage	Depreciation	Į	Accum.
Monada Monada	Describion Iden Coat 4 e Cest 3 Lancy Rights in & Instrumental g & Insponding Reservoirs ref. Coat Intakes Springs Coaferina	Dependent of the control of the cont	Additions (Per Books)	Plant	Plant	£	Plant	Refrements	Adjusted	Selvage	Depreciation	Ę	Accum.
302 303 303 304 306 306 306 307 307 308 308 308 308 308 308 308 308 308 308	Descrizion fon Cost e Cost l'and Rights l'and Rights l'and Rights g à impounding Reservoir g à impounding Reservoir n Galeries n Galeries n Galeries for Supply Manna energion Equipment Feybroard Treatment Equipment Fordement Equipment Fordement F	2.00% 2.00% 2.00% 2.30% 2.30% 2.30% 2.30% 2.30% 2.30% 2.30% 2.30% 2.30%	(Per Books)	Adjustments	Tank of the Paris	¥	Tan.	Kettements		000 × 000	Depreciation	Ĭ	Accum
186. 200. 200. 200. 200. 200. 200. 200. 20	Describion for Cost 1 and Rights 11 and Rights in & Improvement in & Improvement in & Improvement go f Improvement go f Improvement in & Improvemen	100% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%	(Per Books)	Achustmenta	A cline beneauth				N. A.				
300 3 300 3	Iden Coat 1 Land Rights 1 Land Rights 1 Land Rights 9 & Impounding Reservoirs 1 Coat Instructions 1 Caleries 1 Caleries 1 Caleries 1 Caleries 1 Caleries 1 Caleries 2 Control Rights 1 Caleries 2 Coateries 2 Caleries 2 Caleries 3 Caleries 4 Caleries 5 Caleries 5 Caleries 6 Caleries 6 Caleries 6 Caleries 7 Testores 7 Testores 7 Testores 8 Caleries 9 Testa 9 Testa 1 Testores 1 Testore	0.00% 0.00% 133% 2.30% 2.30% 2.30% 2.30% 1.250% 1.250% 2.33% 2.20%		!	TANK TITLE	Adhustments	Additions	(Per Books)	Refrements	Ano only	(Celculated)	Balanca	Denored.
300 300 300 300 300 300 300 300 300 300	e Cest in a Arcanomenta in a Arcanomenta g à Impounding Reservoir g à Impounding Reservoir in Calebraia in Ca	2.00% 2.13% 2.13% 2.13% 2.13% 2.13% 2.13% 2.13% 2.13% 2.13% 2.13%	,										
200 200 200 200 200 200 200 200 200 200	11 and Rights a & Improvements for Canal Industrials Springs for Canal Industrial Springs for Canal Industrial Springs for Canal Industrial For Capabilities for Capabilities for Chamical Fedore for Chamical	2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50% 2.50%					•				•	2	•
3 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	a & Introductions a & Introductions g & Impounding Reservoirs g & Impounding Reservoirs g & Impounding Reservoirs a Galeries a Galeries a Galeries a Galeries a Galeries Galeries Fedioment Fediomen	1339, 2304, 2304, 2304, 2304, 12504, 12504, 1334, 20,000, 2334, 220,000	,					•	•		•	417	•
2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	a & Intronentements p & Impounding Reservoirs res Const Intakes polytique n Calebria n Calebria ere Supply Marin enerstion Equipment ere Supply Marin enerstion Equipment for Calebrian for Chamtrial Feedors for Chamtrial	1335, 2.50% 2.50% 2.50% 2.50% 12.50% 3.33% 2.50% 2.50% 2.50% 2.50%	,				•	•	,			45,968	•
30 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	e à l'incounding Reseauceis He, Cons lintaires Springs Calerina Calerina Calerina Accordination (Saginheit Equipment Equipment Equipment Explorent Paints Son Chantical Fedder Son Chantical Fedder Seauceis à Slandopea ger Tenta	2.50% 2.50% 3.13% 6.67% 2.50% 12.50% 2.0.00% 2.2.20%	11,570		•	,	11,570		•	٠	97.084	2.921.207	781.878
308 309 310 310 320 320 330 330 330 330 330 330 330 33	rei, Cane Intakes n Caderias n Caderias n Caderias et Supply Mains et Supply Mains et Supply Mains et Supply Mains et Supply Mains et Supply Mains et Supply Mains et Supply Mains et Supply Mains et Supply Mains et Supply Supply your Chemical Fedders on Chemical Fedders on Chemical Fedders won Tents et Supply Entits et Supply Supply et Supply Supply et Supply Supply et Supply Supply et Supply Supply et S	2.50% 3.33% 6.07% 2.00% 12.50% 3.33% 20.00%					. •	٠			•		
30.7 30.0 30.0 30.0 30.0 30.0 30.0 30.0	iprings ter Supply Mains enerstion Equipment Equipment estruction Equipment Treatment Equipment Treatment Equipment On Chentrial Feeder on Chentrial Feeder the Tenta Test entire Tenta Test entire Test	2025 2005 2005 3005 3005 3005 3005 2005 2					•				•		
3 20 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	1 Calebrina anestrion Espainent Espainent Espainent Espainent Espainent Treatment Espainent Son Charactel Feeder Son Charactel Feeder Berandina & Slandphes ger Tenta	5.00% 2.00% 12.50% 12.50% 3.13% 20.00%	•	,				1	•				. ;
3 20 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	in Supply Mains energical Equipment Equipment eshmer Equipment Treatment Plants An Chenkal Feders An Chenkal Feders An Chenkal Feders An Evanorie & Standphas grafts Feder	2.00% 1.250% 3.13% 20.00% 2.22%			•	•	•		•	•	0,040	989,896	200
3 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	eneration Equipment Equipment Equipment Teachment Teachment Feeder An Cherrical Feeder An Cherrical Feeder An Essencies & Standoppea	5.00% 12.50% 3.33% 20.00%						. !	. !		•		•
320 320 320 330 330 330 330 330 330 330	Equipment Equipment estimative Equipment Teathnerit Plants On Chemical Teater on Reservoirs & Standahpes gar Tents	5,00% 1,250% 3,33% 20,00% 2,22%					1	2,177	2,177		5,561	276,981	51,868
320 320 320 320 320 320 320 320 320 320	Equipment Equipment Transform Equipment Transform Partie for Chartest Feeder for Chartest Feeder for Evenorie & Standahas graffen for Entit	12.50% 1.33% 20.00% 2.22%					٠	•	•		10,968	219,360	123,286
220 220.1 230.1 230.1 230.1 230.1 230.1 230.1 230.1 24	sebinent Equipment Treatment Plants An Chenteal Feeders Con Chenteal Feeders gge Tentes	3,33% 20,00% 2,22%	23,173	,	E		23,165	28,673	28,673	•	235,920	1,885,609	1,234,628
320.1 320.2 330.2 330.2 330.2 330.2 330.2 330.2 340.2	Treatment Plants kon Chentical Feedens on Reservoirs & Standopes ger Tentas	20.00% 20.00% 2.22%		•	•		٠	•	•		12,321	369,986	205 780
320.2 330.1 330.1 331.2 331.2 331.2 331.2 340.1	Ion Chentical Feedens on Reservoirs & Standoipea age Tanks sure Tanks	20.00%	,	,	•		•	٠	•	٠			,
330 330 330 330 331 331 331 331 331 331	on Reservoirs & Standpipes ge Tanks sure Tanks	2.22%	٠	,			•		1	٠	,	•	,
330.7 330.2 330.2 340.7	ge Tenka sve Tenks							940	3		16.863	758 170	223.677
3 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Jure Tanks	222%		•	•			: '	: •	•			
2	: : : : : .	5.00%	•	,				4	,	•			
	Transmission & Distribution Mains	2:00%	375,616	•	(327)		375.269	9 30	DE Y	•	440 156	27 645 744	10 385 01
2		3,33%	536,471	•	8	•	538,421	199.053	199 053	•	105 144	3 326 193	27.5
2 2 2 2 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3		8.33%	80,686		8		60.864	47 027	47 027		A7 BOR	1050	648 53
8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8		2.00%	31,702				31,702	187	481		11 788	605 624	208 675
88 8 8 8 8 8 8 8	Backfow Preventian Devices <=2/29/2012	_	•						· ,		950	15.895	20
8 8 8 8 8 8	Other Plant & Misc Equipment	6.67%					,	•	,		8.236	123.778	43.963
	Office Furniture & Equipment	6.67%	64.021	•	,	(79,694)	4,327	•	•	•	2.165	34.816	26.665
# # # # # # # # # # # # # # # # # # #	Computers & Software Total	20.00%			•	79,694	79,894	٠	•	•	7.963	156.813	34.889
***	Transportation Equipment	20.00%	,		•		•			•	4 150	146.011	17.5 5.71
8383	pulpment	4.00%						•			} .		,
3 % 3	Tools, Shop & Garage Equipment	9,00%	49,216		•	(5.148)	44,068	14,210	14210	•	2.634	67 812	9
*	Laboratory Equipment	700.01				,	•	•	. '			3.061	3.061
244	Power Operated Equipment	2:00%							•		•		,
ţ	Communication Equipment PTY	10.00%			,	8,148	5,148	3,104	3,104		12.22	223 331	185 034
_	Miscellaneous Equipment	10.00%	1				•	. •	. •		3	5.627	1273
348	Other Tengible Plant	10.00%	•								: "	į .	·
34 Rounding		-	•						•		•	8	•
TOTALS			1177.488		1986	ŝ	444 027	100					
			200711		(300)	9	1,172,000	293,090	283,696		1,098,281	35,402,287	15,458,879

١								i		Ž							
	5	U	Allowed	Ę		Affiliate Profit		Achusted	Plent	Adjusted							
Š	Account	F	Deprise.	Additions	Plent	P	ě	2	Retirente	12	À		Salvana	1	Percentation	į	4
身	身	Detariology	Rate	(Per Books)	Adherments	Adjustments	Adiustments	Additions	(Per Books)	Redicments	Place	Redans			(Catcaleted)	Between	Depres.
-	8	Organization Cont	7500 0		٠											į	
N	302	Franchise Cost	2000	•	,					•					1	9,	,
-	303	Land and Land Rights	0.00%	•	•					• •) i	1
4	ğ	Structures & Improvements	3.33%	104.312	•	•	17.77	24 538	780	4 760	301 105			96			. ;
107	308	Collecting & Impounding Reservoirs	2.50%		•				701.	3	186			100	9097	3,185,381	197,578
	308	Lake, River, Canal Intakes	2 50%	,	. ,									•	•	•	,
~	307	Wells & Stylings	3338	•	٠					•					. :	. :	. :
-	908	Inflittedon Galleries	6674	•		•	•	•			•			•	18,546	505,888	P8 9' LP2
	ŝ	Raw Water Supply Mains	2 00%				•								, ;	. !	. !
9	310	Power Generation Fourterent	4004					•	P. 6.4						8	2/2/5/2	32.685
: =	Ę	Pumulo Furbanest	300	. 10	•			, ;	. !	. !					10,968	219,360	134,264
: 9	\$	Marine Tenesiment Contract	200	10° n			7,390	242	23,487	23,487	377,503			23,584	238,349	2,321,470	1,474,083
2 :			£ 77	. '	•			i		•	•		(218,105)		12,321	0	ê
2 :	350.	-	3,33%	8		i	•	92	•	•	•		218,101		~	370,088	218.103
±	320.7		200.2 X	4.975	•	•	\$	5,409	•		•		1	ı	3	5.409	3
£	Š	Š	222%	•	•			•	,			(759.320)	(236,934)		18.857	•	-
£	330.1	Storage Tanks	222%	\$60°	•	•	•	1,086	•	,	•	889 886	217 022		-	FWN 742	217.0%
=	330.2	Pressure Tanks	5.00%	±	•			7	•		•		21 012	,	! -	MG 778	2.010
	ŝ	Transmission & Distribution Mains	2.00%	800'003		20	3.942	91 975	1 887	1 887	24 276				763 806	77 840 88	70 000
2	333	Services	3.33%	745,101		ì.		780 244	747 K17	742 817	401 877			9	102,000	000 E10.22	141
R	Ř	Maters	8,33%	116,054	,	٠	•	118064	2	Ì	100				200		3
5	333	Hydrants	200%	30.370	•		•	02100					i	Aco, oz	700'14		2
22	336	Becklow Prevention Devices <=2/29/2012	8.07%		•				-	Ş				ą	2,400	97,000	27.75
R	338		A R7*	•											Š	66	2
	3	Office fileralizes in financialization		750	ı			•	•		;				9 X 2	123,778	52.219
; ;	3		(0.0	<u> </u>	•	•	(RDL'L)		,	,	386			E	2,309	38,014	20.007
			ZO.00.3	•	•	,	1,159	1.159	•	•	1,800		,	180	16,055	158,572	101,123
ę	ţ ;	Densportation Equipment	1 S. C.	•	•			•	4,159	4,139	•			1	765	141,853	139,877
.	7	Stores Equipment	*00.*		•			•	,	٠						•	,
R i	7	Tools, Shop & Garage Equipment	\$.00%	21,251	٠	•	•	21,251	,	1	11,789			8	3,912	100,632	5.582
8	ž	Lebot etery Equipment	10.0 0%		•						•					3.061	80
R	¥	Power Operated Equipment	5.00%		•				٠	,					,		,
ä	348	Communication Equipment PTY	10.00%		1	•	79.773	79.773	,						36.127	101 101	
R	347	Wiscellangua Equipment	20 DTPS	•				•							1	3	RC.
:	7	Other Levelide Mand	2000		•					•					ã	5,427	1,815
3	ţ		200	•				•	•							•	
5 2		rauman			•					٠						8	•
3 5		4															
,			1	131,967		(S	41,910	1,233,672	316,704	316,704	1,915,164	(89,634)	٥	63,913	1,136,719	38,234,619	10,342,807

Liberty Utitities (Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Numbor 2

Eximbit Settlement Schedule B-2 Page 4 Witness: Bourass

Accumulated Depreciation

		X	Accumulated Depreciation	=								
<u> </u>												
-				4	α	C		Adjustments	ù	ţ	:	
2				ប	¥	k	K	너	ч	ЭI	ㅁ	D-March 1
m			Adjusted		Intentionally		Infernionally	Intentionally	Allocator		Actions	African
•	Acct.		Accum.	Piant	Left	Plan	Led	I off	Commercial	DTV Plant	to December	Adjusted
ĸ	위		Depr	Reclass	Blank	True-up	Blank	Blank	Piart	Depreciation	Aft to Reconstruction	Derv
Ģ	2		•	İ				i				
~	30	Organization Cost		,		•				•	•	
ю.	30	Franchise Cost	•							•	,	•
о 1	303	Land and Land Rights	•	•		•					•	•
₽	ğ	Structures and improvements	876,050	(1,328)						4.069	•	1878.791
= :	90	Collecting and Impounding Res.	•	•		•					٠	,
Ç (8	Lake River and Other Intakes		•						•	•	•
₽:	90	Wells and Springs	267,496	,		•				•	•	267,496
= :	e e	Infiltration Galleries and Tunnels				•				•	•	•
£ ;	8	Supply Mains	52,885	•		•				r	•	52.885
2 Ç	310	Power Generation Equipment	134,264	•						٠	•	134,264
: \$	- 6		1,450,340			149				23,594	•	1,474,083
2 \$	200	Water Ireaument Equipment	101,812	(218,101)		•				•	0	
2 5	320		7 904	218,101		, ;				,	<u>Q</u>	218
3.5	330		730 037	1230 0241		.4				•	•	<u>s</u>
; ;	3301		408,004 113	(200,504)		•				•	0	
: 2	330.2		<u>.</u>	21,022		•				•	•	217,034
3	331		10 838 900	416.13		, 6					•	21,915
25	333	Services	731 730			7 0				200		10,839,691
8	334	Meters	705.382	. ,		6				058,6	0	742,165
77	335	Hydrants	217.184			•				000,07	•	564,067
78	336	Backflow Prevention Devices	4,180	,		•				₹ ,		402.714
æ	338		52,219			•				•	•	52.219
ළ :	9	-	37,006	(8,012)		•				13	•	29.007
ਜ਼ 8	96		76,919	24.024		,				180		101,123
₹ 8	5	I ransportation Equipment	139,877	•		•					•	139,877
3 7	2	Stores Equipment		, į		•				•	•	. 1
\$ %	3 3	Louis and viols Equipment	\$00°C	(386)		1				3	•	5,562
3 %	34.5	Calculation of Equipment	9,5	•						•	•	3,061
8 8	3 5	Communications Equipment	300 505	100.7						•	•	1
.	3	Micraffensons Equipment	200,002 Ata +	ē						•		211,356
8	348	Other Tangible Plant	2			• •					•	1.815
4		Sublotal	\$ 16,259,017 \$	19,059	,	817				\$ 63.913		46 342 807
÷ :	8											•
7 :	200	Lend and Lend Rights	• ;						•			
7	3 3	Structures and Improvments	8,011						1,395			8,406
;	į		975,1						382			1,762
£ &	į		\$ 50.695						9,457			50,765
4			767,00		•	•					·	61,933
& 6		TOTALS	\$ 16,309,712 \$	19,059 \$		817			\$ 11,238	\$ 63,913	D	\$ 16,404,740
	4ccumu	Accumulated Depreciation per Books										4
												\$10,303,712
	ncrease	Increase (decrease) in Accumulated Depreciation	alion									\$ 95,028
3 25	Adjustm	Adjustment to Accumulated Depreciation										
												970'CE
8 I	Oddn	SUPPORTING SCHEDULES				Ľ	RECAP SCHEDULES.	LES				
	3-7, pag	Bes 4.1 to 4.9				a	-2, page 2					

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2 - A

Exhibit Settlement Schedule B-2 Page 4.1 Witness: Bourassa

Line									
No.									
1	Plant R	eclass							
2									
3									
4	Acct.		Depr				330		
5	<u>No.</u>	<u>Description</u>	Rate	<u>2012</u>	<u>2013</u>	<u>2014</u>	Reclass		Total
6	301	Organization Cost	0.00%	-	-			\$	
7	302	Franchise Cost	0.00%	-	_				-
8	303	Land and Land Rights	0.00%	-	-	-			_
9	304	Structures and Improvements	3.33%	-	-	(1,328)			(1,328)
10	305	Collecting and Impounding Res.	2.50%	-	-	· · -			-
11	306	Lake River and Other Intakes	2.50%		-	-			_
12	307	Wells and Springs	3.33%	-	-	_			_
13	308	Infiltration Galleries and Tunnels	6.67%	-	-	-			_
14	309	Supply Mains	2.00%	-	-	_			_
15	310	Power Generation Equipment	5.00%	-	•	-			_
16	311	Electric Pumping Equipment	12.50%	-	_	-			•
17	320	Water Treatment Equipment	3.33%	-	_	(218,101)			(218,101)
18	320.1	Water Treatment Plant	3.33%	•	-	218,101			218,101
19	320.2	Chemical Solution Feeders	20.00%	-	_				210,101
20	330	Dist. Reservoirs & Standpipe	2.22%	•	-	_	(238,934)		(238,934)
21	330.1	Storage tanks	2.22%	-	-	_	217,022		217,022
22	330.2	Pressure Tanks	5.00%	-	-	_	21,912		21,912
23	331	Trans, and Dist. Mains	2.00%	-	-	-	,		21,012
24	333	Services	3.33%		•	-			_
25	334	Meters	8.33%		-	_			_
26	335	Hydrants	2.00%	-	-	_			_
27	336	Backflow Prevention Devices	6.67%		-	_			_
28	339	Other Plant and Misc. Equip.	6.67%	•	-	_			_
29	340	Office Furniture and Fixtures	6.67%	-	(2,658)	(5,354)			(8,012)
30	340.1	Computers and Software	20.00%	-	7,969	16,055			24,024
31	341	Transportation Equipment	20.00%	-	-				
32	342	Stores Equipment	4.00%	•		_			_
33	343	Tools and Work Equipment	5.00%	-	(129)	(257)			(386)
34	344	Laboratory Equipment	10.00%	-	-	-			(500)
35	345	Power Operated Equipment	5.00%	-	-	_			_
36	346	Communications Equipment	10.00%	_	257	4,503			4,761
37	347	Miscellaneous Equipment	10.00%	-	-	-			4,701
38	348	Other Tangible Plant	10.00%	-	_	-			_
39		•							
40		TOTALS	•	\$ - 9	5,440 \$	13,618	\$ -	\$	19,059
41			;		· · · · · · · · · · · · · · · · · · ·		·	<u> </u>	.0,500
42									
43	SUBBOI	DTING COHEDUILE				_			

43 <u>SUPPORTING SCHEDULE</u>44 Work papers

RECAP SCHEDULES: B-2, page 4

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2 - B

Exhibit Settlement Schedule B-2 Page 4.2 Witness: Bourassa

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Line			
No.			
1			
2			
3			
4	Acct.		Original
5	No.	Description	Cost A/D
6	301	Organization Cost	\$ -
7	302	Franchise Cost	•
8	303	Land and Land Rights	<u>.</u>
9	304	Structures and Improvements	<u>.</u>
10	305	Collecting and Impounding Res.	_
11	306	Lake River and Other Intakes	_
12	307	Wells and Springs	<u>-</u>
13	308	Infiltration Galleries and Tunnels	_
14	309	Supply Mains	-
15	310	Power Generation Equipment	
16	311	Electric Pumping Equipment	<u> </u>
17	320	Water Treatment Equipment	
18		Water Treatment Plant	_
19		Chemical Solution Feeders	<u>-</u>
20	330	Dist. Reservoirs & Standpipe	<u> </u>
21	330.1		_
22		Pressure Tanks	•
23	331	Trans, and Dist. Mains	•
24	333	Services	•
25	334	Meters	•
26	335	Hydrants	•
27	336	Backflow Prevention Devices	•
28	339	Other Plant and Misc. Equip.	-
29	340	Office Furniture and Fixtures	-
30		Computers and Software	•
31	341	Transportation Equipment	-
32	342	Stores Equipment	-
33	343	Tools and Work Equipment	-
34	344	Laboratory Equipment	•
35	345	Power Operated Equipment	-
36	346	Communications Equipment	•
37	347	Miscellaneous Equipment	•
38	348	Other Tangible Plant	•
39	540	Other rangible riant	-
40		TOTAL	
41		TO THE	<u> </u>
42			
43	SHPPO	RTING SCHEDULE	DECAR CONTOUR CO
44	Work pa		RECAP SCHEDULES:
45	- toin pa	polo	8-2, page 4

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division
Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - C

Exhibit Settlement Schedule B-2 Page 4.3 Witness: Bourassa

Line							
<u>No.</u>							
1	Plant T	<u>rue-Up</u>					
2							
3							
4	Acct.		Depr			4	
5	<u>No.</u>	<u>Description</u>	Rate	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
6	301	Organization Cost	0.00%				\$ -
7	302	Franchise Cost	0.00%	_	-	-	*
8	303	Land and Land Rights	0.00%	_	_	-	-
9	304	Structures and Improvements	3.33%	-	-	-	•
10	305	Collecting and Impounding Res.	2.50%	_	=	-	
11	306	Lake River and Other Intakes	2.50%	-	-	•	
12	307	Wells and Springs	3.33%	-	_	•	_
13	308	Infiltration Galleries and Tunnels	6.67%	_			_
14	309	Supply Mains	2.00%	_	_	-	_
15	310	Power Generation Equipment	5.00%	-	•	_	_
16	311	Electric Pumping Equipment	12.50%	_	_	149	149
17	320	Water Treatment Equipment	3.33%	_	-	-	-
18	320.1	Water Treatment Plant	3.33%	-	-	_	_
19	320.2	Chemical Solution Feeders	20.00%	_	-	43	43
20	330	Dist. Reservoirs & Standpipe	2.22%	-	-		
21	330.1	Storage tanks	2.22%	-	_	-	
22	330.2	Pressure Tanks	5.00%	-	-	_	_
23	331	Trans, and Dist, Mains	2.00%	-	-	39	39
24	333	Services	3.33%	_	-	585	585
25	334	Meters	8.33%	-	•	-	-
26	335	Hydrants	2.00%	-	-	-	_
27	336	Backflow Prevention Devices	6.67%	-	-	-	_
28	339	Other Plant and Misc. Equip.	6.67%	-	-	_	_
29	340	Office Furniture and Fixtures	6.67%	_	-	-	-
30	340.1	Computers and Software	20.00%	_	-	•	_
31	341	Transportation Equipment	20.00%	-	-	<u>.</u> .	_
32	342	Stores Equipment	4.00%	-	_	_	_
33	343	Tools and Work Equipment	5.00%	_	-	-	_
34	344	Laboratory Equipment	10.00%	-	_	_	
35	345	Power Operated Equipment	5.00%	_	-	-	_
36	346	Communications Equipment	10.00%	-	-	-	-
37	347	Miscellaneous Equipment	10.00%	-	-	-	
38	348	Other Tangible Plant	10.00%	•	_	•	-
39							
40		TOTALS	3	-	\$ - \$	817	\$ 817
41			=				
40							

SUPPORTING SCHEDULE Work papers

RECAP SCHEDULES: B-2, page 4

44 45

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014

Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - D

Exhibit Settlement Schedule B-2 Page 4.4 Witness: Bourassa

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Lina			
Line			
<u>No.</u> 1			
2			
3			
4	Acct.		A • • •
5	No.	Description	Original
6	301	<u>Description</u> Organization Cost	Cost A/d
7	302	Franchise Cost	\$ -
8	303	Land and Land Rights	•
9	304	Structures and Improvements	•
10	305	Collecting and Impounding Res.	*
11	306	Lake River and Other Intakes	•
12	307	Wells and Springs	-
13	308	Infiltration Galleries and Tunnels	•
14	309	Supply Mains	•
15	310	Power Generation Equipment	-
16	311	Electric Pumping Equipment	•
17	320	Water Treatment Equipment	•
18		Water Treatment Plant	•
19		Chemical Solution Feeders	•
20	330	Dist. Reservoirs & Standpipe	•
21	330.1		<u>.</u>
22	330.2	Pressure Tanks	•
23	331	Trans, and Dist. Mains	<u> </u>
24	333	Services	•
25	334	Meters	<u>.</u>
26	335	Hydrants	•
27	336	Backflow Prevention Devices	•
28	339	Other Plant and Misc. Equip.	
29	340	Office Furniture and Fixtures	_
30	340.1	Computers and Software	-
31	341	Transportation Equipment	-
32	342	Stores Equipment	-
33	343	Tools and Work Equipment	•
34	344	Laboratory Equipment	-
35	345	Power Operated Equipment	•
36	346	Communications Equipment	•
37	347	Miscellaneous Equipment	•
38	348	Other Tangible Plant	•
39			
40		TOTAL	\$ -
41			
42			
43		RTING SCHEDULE	RECAP SCHEDULES
44	Work pa	pers	P.2 page 2

44 45 Work papers

46

B-2, page 3

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments

Original Cost Rate Base Proforma Adjustme Adjustment Number 2 - E

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Exhibit Settlement Schedule B-2 Page 4.5 Witness: Bourassa

Line	+		•
No.			
1			
2			
3			
4	Acct.		Original
5	No.	Description	Cost A/D
6	301	Organization Cost	\$ -
7	302	Franchise Cost	Ψ -
8	303	Land and Land Rights	
9	304	Structures and improvements	
10	305	Collecting and Impounding Res.	_
11	306	Lake River and Other Intakes	•
12	307	Wells and Springs	_
13	308	Infiltration Galleries and Tunnels	
14	309	Supply Mains	_
15	310	Power Generation Equipment	-
16	311	Electric Pumping Equipment	-
17	320	Water Treatment Equipment	-
18	320.1		-
19	320.2	Chemical Solution Feeders	-
20	330	Dist. Reservoirs & Standpipe	-
21	330.1		•
22	330.2	Pressure Tanks	•
23	331	Trans. and Dist. Mains	-
24	333	Services	•
25	334	Meters	-
26	335	Hydrants	•
27	336	Backflow Prevention Devices	-
28	339	Other Plant and Misc. Equip.	-
29	340	Office Furniture and Fixtures	-
30	340.1		-
31	341	Transportation Equipment	<u>-</u>
32	342	Stores Equipment	•
33	343	Tools and Work Equipment	-
34	344	Laboratory Equipment	-
35	345	Power Operated Equipment	•
36	346	Communications Equipment	-
37	347	Miscellaneous Equipment	•
38	348	Other Tangible Plant	-
39		TOTAL	
40		TOTAL	\$ -
41			
42	011000	STING AGUERUM E	
43	SUPPOI	RTING SCHEDULE	DECAR COMED!

43 SUPPORTING SCHEDULE
44 Work papers

45 46 RECAP SCHEDULES: B-2, page 4

Liberty Utilitles (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - F

Exhibit Settlement Schedule B-2 Page 4.6 Witness: Bourassa

Line										
No.										
1	Corpora	Corporate Plant A/D								
2				[1]	[2]	[3]	[4] = [1]x[2]x[31		
3					Liberty	Rio Rico	Allocated	•	Direct	
4	Acct.				Utilities	Water	Orginal		Orginal	Increase
5	<u>No.</u>	Description		A/D	Factor	Factor	Cost		Cost	(Decrease)
6	903	Land and Land Rights	\$	•	12.949					1000,0000
7	904	Structures and Improvments		309,237	12.94%	6 8.18%	3.2	73	3,219	54
8	940.1	Computers and Software		65,442	12.949	6 8.18%		93	2,187	(1,494)
9									_,	(1,101)
10										
11	LU Sub	-Corp. Plant								
12										_
13	903	Land and Land Rights		•		8.18%			_	_
14	904	Structures and Improvments		74,974		8.18%	6,1	33	4,792	1,341
15	940	Office Furniture and Equipment		21,535		8.18%	1.7		1,376	385
16	940.1	Computers and Software		612,134		8.18%	50,0		39,121	10,951
17				,			20,0	. •	50,121	10,001
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										
34										
35										
36										
37										
38										
39										
40										
41		TOTALS	\$	1,083,322			61.9	33 \$	50 695	\$ 11,238
42				-					,	÷ 11,200
43										
44		RTING SCHEDULE				RECAP SCHEDU	LES:			
45	Work pa	pers				B-2, page 4				
46						,, -				

Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - G

Exhibit Settlement Schedule B-2 Page 4.7 Witness: Bourassa

Line							
<u>No.</u>							
1	PTY PI	ant A/D					
2							
3			Direct		Adjusted		
4	Acct.		PTY		PTY	Depr	Depr (1/2 Year)
5	No.	Description	Plant Balance	Adjustments	Plant Balance	Rate	PTY
6	301	Organization Cost	\$ -	\$ -	\$	0.00%	
7	302	Franchise Cost	•	_	•	0.00%	Ψ
8	303	Land and Land Rights	-		_	0.00%	•
9	304	Structures and Improvements	9,954	234,442	244,395	3.33%	4,069
10	305	Collecting and Impounding Res.	•	-	2.14,000	2.50%	₹,008
11	306	Lake River and Other Intakes			_	2.50%	-
12	307	Wells and Springs	_	_	_	3.33%	•
13	308	Infiltration Galleries and Tunnels		_	_	6.67%	•
14	309	Supply Mains	_	-	_	2.00%	=
15	310	Power Generation Equipment		_	_	5.00%	-
16	311	Electric Pumping Equipment	10,993	366.510	377,503	12.50%	23,594
17	320	Water Treatment Equipment	-	-	071,000	3.33%	23,394
18	320.1		-	_	_	3.33%	-
19	320.2	Chemical Solution Feeders	_	_	_	20.00%	•
20	330	Dist. Reservoirs & Standpipe	_	_	_	2.22%	•
21	330.1	Storage tanks		_	_	2.22%	•
22	330.2	Pressure Tanks		_	_	5.00%	-
23	331	Trans, and Dist, Mains	28,121	56,155	84,276	2.00%	843
24	333	Services	206,351	385,225	591,577	3.33%	9.850
25	334	Meters	556,039	45,411	601,449	8.33%	25.050
26	335	Hydrants	860	1,138	1,997	2.00%	25,050
27	336	Backflow Prevention Devices	•	.,	1,001	6.67%	20
28	339	Other Plant and Misc. Equip.	_	_	_	6.67%	-
29	340	Office Furniture and Fixtures	398	•	398	6.67%	13
30	340.1	Computers and Software		1,800	1,800	20.00%	180
31	341	Transportation Equipment	_	.,,	1,000	20.00%	100
32	342	Stores Equipment	•	_		4.00%	-
33	343	Tools and Work Equipment	3,651	8,117	11,769	5.00%	294
34	344	Laboratory Equipment	-	-,	- 11,700	10.00%	204
35	345	Power Operated Equipment	-	_	_	5.00%	•
36	346	Communications Equipment	-	-		10.00%	•
37	347	Miscellaneous Equipment	_	-	_	10.00%	•
38	348	Other Tangible Plant	0	•	=	10.00%	•
39		-	. •			10.0076	•
40		TOTALS	\$ 816,367	\$ 1,098,797	\$ 1,915,164	-	\$ 63,913
41					. ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-	<u> </u>

42 43 44 45 SUPPORTING SCHEDULE Work papers

Testimony

RECAP SCHEDULES: B-2, page 4

Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - H

Exhibit Settlement Schedule B-2 Page 4.8 Witness: Bourassa

<u>No.</u> 1	Record	iliation of A/D to A/D Reconstruction					
2	NEWIL	III BUOT OF AUD TO AUD RECONSTRUCTION					
3					Adjusted	Plant	
4	Acct.		Orginal	B-2	Orginal	Per	
5	No.	Description	Cost	Adjustments	Cost	Reconstruction	<u>Difference</u>
6	108	Accumulated Depreciation		-		-	<u>Dineronoo</u>
7	301	Organization Cost	-	-			
8	302	Franchise Cost	_	-	-	_	_
9	303	Land and Land Rights	-	=	•	_	-
10	304	Structures and Improvements	876,050	2,741	878,791	878,791	_
11	305	Collecting and Impounding Res.	-			-	-
12	306	Lake River and Other Intakes	_	_	_	-	
13	307	Wells and Springs	267,496	•	267,496	267,496	0
14	308	Infiltration Galleries and Tunnels	-	-	-	-	_
15	309	Supply Mains	52,885	-	52,885	52.885	-
16	310	Power Generation Equipment	134,264	•	134,264	134,264	_
17	311	Electric Pumping Equipment	1,450,340	23,743	1,474,083	1,474,083	-
18	320	Water Treatment Equipment	218,101	(218,101)	(1)	(0)	0
19	320.1	Water Treatment Plant	2	218,101	218,103	218,103	(0)
20	320.2	Chemical Solution Feeders	498	43	541	541	-
21	330	Dist. Reservoirs & Standpipe	238,934	(238,934)	0	0	0
22	330.1	Storage tanks	12	217,022	217,034	217,034	-
23	330.2	Pressure Tanks	4	21,912	21,915	21,915	-
24	331	Trans, and Dist. Mains	10,838,809	882	10,839,691	10,839,691	-
25	333	Services	731,730	10,435	742,165	742,165	0
26	334	Meters	705,382	25,050	730,433	730,433	-
27	335	Hydrants	217,184	20	217,204	217,204	-
28	336	Backflow Prevention Devices	4,180	•	4,180	4,180	-
29	339	Other Plant and Misc. Equip.	52,219	-	52,219	52,219	+
30	340	Office Furniture and Fixtures	37,006	(7,999)	29,007	29,007	-
31	340.1	Computers and Software	76,919	24,204	101,123	101,123	-
32	341	Transportation Equipment	139,877	-	139,877	139,877	•
33	342	Stores Equipment	-	-	-	-	-
34	343	Tools and Work Equipment	5,654	(92)	5,562	5,562	-
35	344	Laboratory Equipment	3,061	-	3,061	3,061	-
36	345	Power Operated Equipment	-	-	-	•	-
37	346	Communications Equipment	206,595	4,761	211,356	211,356	-
38	347	Miscellaneous Equipment	1,815	-	1,815	1,815	
39	348	Other Tangible Plant			,	,,-,-	

\$ 16,259,017 \$

83,789 \$

40 41 42 43 44 45 44 <u>SUPPORTING SCHEDULE</u> 45 B-2, pages 4.1 46 B-2, pages 3.8 through 3.10

TOTALS

RECAP SCHEDULES: B-2, page 4

16,342,807 \$ 16,342,807 \$

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Exhibit Settlement Schedule B-2 Page 5 Witness: Bourassa

Contributions-in-Aid of Construction (CIAC) and Accumulated Amortization

Line <u>No.</u> 1 2					
3			Gross		ccumulated
4			<u>CIAC</u>	Α	mortization
5	Computed balance at End of Test Year	\$	20,261,911	\$	10,380,413
6	,	*		•	10,000,415
7	Adjusted balance at End of Test Year	\$	20,261,911	\$	10,388,151
8					
9	Increase (decrease)	\$	_	\$	(7,738)
10	,	•		Ψ	(1,130)
11					
12	Adjustment to CIAC/AA CIAC	\$	-	\$	7,738
13	Label		3a		3b
14			**		JU
15					

<u>SUPPORTING SCHEDULES</u> B-2, page 5.1

RECAP SCHEDULES: B-2, page 2

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Contributions-in-aid of Construction and Amortization
Adjustment 4

Settlement Schedule B-2 Page 5.1 Witness: Bourassa Exhibit

Balance						1
7107047	Additions	12/31/2012	Additions	12/31/2013	Additions	Balance 12/31/2014
CIAC 20,179,119	6	20,173,239		20,173,239	88,672	20.261,911
Rate Case Adj - AIAC error Rate Case Adj - AIAC error	(38,194) 32,314					
Amortization Decision No. 72059 Amortization Rate Amortization 102,506 Accumulated Amortization 8,617,752	2 c %	2.62% 527,808 9,145,560		3.11% 628,177 9,773,737		2.99% 606,676 10,380,413
Net CIAC 11,561,358	8	11,027,679		10,399,502	88,672	9,881,498

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment 4

Exhibit Settlement Schedule B-2 Page 6 Witness: Bourassa

Advances-in-Aid of Construction (AIAC) Line <u>No.</u> 3 4 5 Computed balance at End of Test Year \$ 976,558 Adjusted balance at End of Test Year 976,558 Increase (decrease) \$ <u>SUPPORTING SCHEDULES</u> B-2, page 6.1 **RECAP SCHEDULES:** B-2, page 2

Liberty Utilities (Rio Rico Water & Sewer) Corp. • Water Division Test Year Ended December 31, 2014 Advances-in-Aid of Construction (AIAC)

Settlement Schedule B-2 Page 6.1 Witness: Bourassa

Balance B9 12/31/2013 Activity 12/3 1,038,044 2,500 (2,814) (88,672) 27,500 1,038,044 (61,486)	Balance Balance Balance Balance Activity 1231/2013 Activity 1231/2013 Activity 1231/2013 Activity 1231/2013 Activity 1231/2013 Activity 1231/2013 Activity 1231/2013 Activity 1231/2013 Activity 1231/2014		Per Decision	20	2012	20	2013	2014	14
660,955 - 664,175 - 1,038,044 2,500 (3,471) (4,842) (2,814) (5,000) 22,500 (5,000) 2,500 (5,000) 2,500 (5,000) 2,500 (5,000) 2,500 (6,175) (5,000) 2,500 (6,1486) (61,486) (61,486)	660,955		Balance 2/29/2012	Activity	Balance 12/31/2012	Activity	Balance 12/31/2013		Balance
660,955	1,038,044 2,500 (3,471) (32,314) 5,000 22,500 (5,000) 2,500 (6,4175) (1,842) (2,814) (2,814) (2,814) (3,21,10) (2,814) (3,471) (3,21,10) (3,471) (3,21,10) (3,471) (4,842) (2,814) (2,814) (8,672) (5,000) (5,000) (5,000) (6,4175) (6,1486) (1,038,044) (61,486) (1,038,044)								
16,505 376,211 (3,471) (4,842) (2,814) (3,471) (4,842) (2,814) (32,314) (32,314) (4,842) (2,814) (3,200 22,500 (5,000) 2,500 (88,672) (5,000) 27,500 (88,672) (5,000) (5,000) 27,500 (664,175 373,869 1,038,044 (61,486) et o correct the GL accounts. So in 2009 an entry to move the bal to CIAC should have been 32,313.7	16,505 376,211 (2,814) (3,471) (4,842) (2,814) (3,214) (3,214) (32,314) (32,314) (32,314) (32,314) (32,314) (32,314) (32,314) (32,300 (32,500) (32,	AIAC in process	660,955	•	664,175	,	1.038.044	2,500	978.55
(3,471) (4,842) (2,814) (2,814) (2,814) (32,314) (32,314) (32,314) (4,842) (2,814) (2,814) (32,314) (4,842) (2,814) (2,814) (4,842) (2,814) (6,000 (2,814) (6,000 (2,814) (6,000 (2,800	(3,471) (4,842) (2,814) (2,814) (2,814) (3,3314) (3,3314) (3,000 (2,500) (5,000) (5,000) (5,000) (5,000) (5,000) (5,000) (6,175) (6,1486) (61,486)	Additions		16,505		376,211			7
22,500 (5,000) (5,000) (5,000) (6,000) (7,500) (88,672) (7,500) Costed to CIAC pre acqusition in 1998/1999 for 38,194. e to correct the GL accounts. So in 2009 an entry to move the bal to CIAC should have been 32,313.7	5,000 22,500 (5,000) 2,500 (88,672) (5,000) 2,500 (88,672) 27,500 To correct the GL accounts. So in 2009 an entry to move the bal to CIAC should have been 32,313.7	Rate Case - CIAC Adi		(3,471)		(4.842)		(2,814)	
22,500 (88,672) (5,000) 2,500 27,500 27,500 xosted to CIAC pre acqusition in 1998/1999 for 38,194. e to correct the GL accounts. So in 2009 an entry to move the bal to CIAC should have been 32,313.7	22,500 (88,672) (5,000) 2,500 27,500 27,500 27,500 costed to CIAC pre acqusition in 1998/1999 for 38,194. e to correct the GL accounts. So in 2009 an entry to move the bal to CIAC should have been 32,313.7	Rate Case - AIAC in process		5,000					
(5,000) 2,500 (88,672) 27,500	(5,000) 2,500 (88,672) 27,500 27,500 27,500 27,500 27,500 27,500 27,500	Move to CIAC		22,500					
3,220 664,175 373,869 1,038,044 (61,486)	3,220 664,175 373,869 1,038,044 (61,486) 2ve the bal to CIAC should have been 32,313.7	AD AD		(5 000)		2 500		(88,672)	
3,220 664,175 373,869 1,038,044 (61,486) 3ve the bal to CIAC should have been 32,313.7	3,220 664,175 373,869 1,038,044 (61,486) 3ve the bal to CIAC should have been 32,313.7			(2001)		ODC '7		00c'72	
NAC agreement was originaly posted to CIAC pre acqusition in 1998/1999 for 38,194. Journal entries were never made to correct the GL accounts. So in 2009 an entry to move the bal to CIAC should have been 32,313.7	AIAC agreement was originaly posted to CIAC pre acqusition in 1998/1999 for 38,194. Journal entries were never made to correct the GL accounts. So in 2009 an entry to move the bal to CIAC should have been 32,313.7 Sate Case IAD Adj is to add the deposits received from the prior rate case but not entered		960,965	3,220	664,175	373,869	1,038,044	(61,486)	976,55
		NAC agreement was originaly posted to CIAC pre acqusition in fourmal entries were never made to correct the GL accounts. So	n 1998/1999 for 38,194. o in 2009 an entry to mov	e the bal to CIA	C should have	been 32.313.7			
				2					

(958,890) (139,723) \$ (1,098,814) Future Tax Liability Settlement Schedule B-2 Page 7.0 Witness: Bourassa Current 292,854 \$ 292,854 Non Current Future Tax Asset (534,441) (11,454) (545,895) (1.121,537) (575,642) (805,760) 0.6633 Current Effective 32.46% 37.363% 4.900% Tax Rate Liberty Utilities (Rico Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments 783,815 Deductible TD (Taxable TD) Expected to be Realized (2,953,829)(2.851,496)Adjustment 5 49 Probability of Regization of Future Iax Benefit 100.0% 100.0% 100.0% Allocation Factor - Water-Division (based on rate base before ADIT) 13,960,888 14,063,222 2 783,815 Water & Sewer Tax Value Deferred Income Tax as of December 31, 2014 • (13,104,626) 16,914,718 52,254,628 (22,235,285) Water & Sewer Adjusted Book Value \$ 16,914,718 Total Asset (Liability) Water Division Net Asset (Llability) Water Division DIT Asset (Liability) as Adjusted Allocated Corporate ADIT⁵ Net Asset (Liability) Adjustment to DIT Plant-in-Service Accum. Deprec. Fixed Assets Fixed Assets CIAC Fed & State AIAC State Ē,

Footnotes - See page 7.1

RECAP SCHEDULES: B-2, page 2

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment 5

Witness: Bourassa Schedule B-2 Page 7.1

¹ Per adjusted book balances, land not included, corporate plant not included

2 Computation of Net Tax Value December 31, 2014

Based on 2014 Tax Depraciation report Adjusted Basis at December 31, 2014 per federal and state tax depr. report Land on Tax and not on Included in adjusted plant balance Reconciling Items not on tax report: PTY Plant

Net Cost tax Basis at December 31, 2014

Accumulated Depreciation at December 31, 2014

PTY Plant Tax Depr Estimate

Net lex value of plant-in-service at December 31, 2012 Net Reductions through December 31, 2012

³ CIAC (including impact of change to probability of realization) Gross CIAC per adjusted book balances CIAC reductions/additions A.A per adjusted book balances

Net CIAC before unrealized AIAC

Adjusted Net AIAC (see footnote 5 below) AIAC per adjusted book balances Unrealized AIAC Component

Total realizable CIAC

Unrealized AIAC Component % (1-Realized AIAC Component)

 AIAC (including impact of change in probability of realization) AIAC per adjusted book balances Less: Unrealized AIAC (from Note 3, above)

Meter and Service Line Installation Charges per adjusted book balances Total realizable AIAC Subtotal

		The contract of the contract o
27,137,977	**	28,144,708
2,067,697		2,087,697
	\$ 28,205,674	\$ 30,212,405
(15,200,080)	•	(16,104,457)
(44,725)		(44,725)
ı		,
	(15,244,785) \$ 13,860,888	(16,149,163)

25,374,157

\$ (13,323,688)

\$ 12,050,470 (13,323,688)

1,054,156 \$ 1,505,937 70.0%

1,505,937 (1,054,156) 332,034 451,781

See work papers

Liberty Utlifties (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Cash Working Capital

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Income Statement

Exhibit

Settlement Schedule C-1 Page 1 Witness: Bourassa

Line No.	_		Test Year Adjusted <u>Results</u>	<u>A</u>	djustment	Settlement Adjusted <u>Results</u>		Proposed Rate Increase		Adjusted with Rate Increase
1	Revenues									
2	Metered Water Revenues	\$	2,984,538	\$	39,377	\$ 3,023,915	\$	814,262	\$	3,838,177
3	Unmetered Water Revenues		· ·		-	-				-
4	Other Water Revenues		48,254			48,254			_	48,254
5		\$	3,032,792	\$	39,377	\$ 3,072,169	\$	814,262	\$	3,886,431
6	Operating Expenses									
7	Salaries and Wages	\$	•		-	\$ -			\$	•
8	Purchased Water		69,895		-	69,895				69,895
9	Purchased Power		324,148		9,151	333,299				333,299
10	Chemicals		4,602		130	4,732				4,732
11	Fuel for Power Production		-		-	-				-
12	Repairs and Maintenance		-		-	-				-
13	Office Supplies and Expense		34,071		-	34,071				34,071
14	Outside Services		-		-	•				•
15	Contractual Services - Professional		1,039,036		(353,502)	685,534				685,534
16	Contractual Services - Testing		41,807		(2,394)	39,413				39,413
17	Contractual Services - Other		97,904		376,596	474,500				474,500
18	Water Testing		-		-	-				-
19	Rents		4,169		-	4,169				4,169
20	Transportation		60,352		•	60,352				60,352
21	Insurance		27,865		-	27,865				27,865
22	Regulatory Commission Expense		33,172		-	33,172				33,172
23	Materials and Supplies		29,680		-	29,680				29,680
24	Miscellaneous		61,392		(1,164)	60,228				60,228
25	Depreciation		562,211		68,138	630,348				630,348
26	Taxes Other Than income		-		-	-				-
27	Property Taxes		155,057		2,014	157,071		13,881		170,953
28	Income Tax		147,142		(25,072)	122,070		299,043		421,113
29	_				-	 				-
30	Total Operating Expenses		2,692,502	\$	73,897	\$ 2,766,399	\$	312,925	\$	3,079,324
31	Operating Income	5	340,290	\$	(34,520)	\$ 305,770	\$	501,337	\$	807,107
32	Other income (Expense)									
33	Interest and Dividend Income		-		-	-				-
34	AFUDC Income		5,045		-	5,045				5,045
35	Miscellaneous Non-Utility Expenses		(500)		-	(500)				(500)
36	Interest Expense		(92,250)		(4,980)	(97,229)				(97,229)
37						-				-
38	Total Other Income (Expense)	\$	(87,705)	\$	(4,980)	\$ (92,684)	\$	_	\$	(92,684)
39	Net Profit (Loss)	\$	252,585	\$	(39,499)	\$ 213,086	\$	501,337	\$	714,423
40										,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
41	SUPPORTING SCHEDULES:						REC	AP SCHED	ULF	S:
42	C-1, page 2					•	A-1			
43	E-2									
44										

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division dba Liberty Utilities Test Year Ended December 31, 2014 Income Statement

Exhibit Settlement Schedule C-1 Page 2.1 Witness: Bourassa

National Park National Par			LABEL>>>> Test Year		- 1	C€		es		च ा	Ë	<u>6</u> Intentionally		•	å	Z Reclass	Corporate	<u>e</u>
Revenues Results Depreciation 1 sees Case Expense hommelication Other Water Revenues \$ 2.984,538 \$ 3,032,792 \$ 3,032,792 \$ 39,377 \$ 39,377 Other Water Revenues \$ 3,032,792 \$ 3,032,792 \$ 3,032,792 \$ 39,377 \$ 39,377 Other Water Revenues \$ 3,032,792 \$ 3,032,792 \$ 3,032,792 \$ 39,377 \$ 39,377 Purchased Power \$ 3,032,792 \$ 3,032,792 \$ 3,032,792 \$ 39,377 \$ 39,377 \$ 30,377 <th><u>e</u>.</th> <th></th> <th>Adjusted</th> <th></th> <th></th> <th>Propert</th> <th></th> <th>Rate</th> <th></th> <th>Usage</th> <th></th> <th>Left</th> <th>5</th> <th>Water</th> <th>Con</th> <th>Contractual</th> <th>Cost Adj</th> <th>亨</th>	<u>e</u> .		Adjusted			Propert		Rate		Usage		Left	5	Water	Con	Contractual	Cost Adj	亨
Description Secretarian	희 -	C	Results	Depu	ciation	TBX6		ase Expense		malization		Blank	H	Testing	쩘	Services	Non-Labor	ŏ
Unrelized Vigler Revenues 48.254 \$ 39,377 Operating Expenses \$ 1032,792 \$ \$ \$ \$ \$ \$ 39,377 Salaries and Vages \$ 1032,792 \$ \$ \$ \$ \$ \$ 39,377 Purchased Vater \$ 24,148 \$ 151 Purchased Vater \$ 24,148 \$ 151 Chemicals 4 602 \$ 39,377 Chemicals 4 602 \$ 39,151 Chemicals 4 602 \$ 30,71 Office Supplies and Expense 34,071 \$ 30,71 Ontractual Services - Professional (1,038,036 \$ 30,72 Contractual Services - Professional (1,038,036 \$ 30,72 Contractual Services - Other \$ 7,904 \$ 30,72 Walar Taking \$ 27,865 \$ 30,72 Malarials and Supplies \$ 28,138 \$ 2014 Transportation \$ 26,23 \$ 30,056 Regulators \$ 30,027 \$ 30,056 Income Tax \$ 30,027 \$ 30,056 Regulators \$ 30,027 \$ 30,056 Income Tax \$ 340,230 \$ 30,045 Malarials and Dividend income	٠,	Metered Water Revenues							٠	20.0277								
Contractus Security Securit	(1)	Unmetered Water Revenues							•	16'00								
Salaries and Wages Salaries Salaries Salaries and Wages Purchased Water 304 148 Salaries and Maldinanche 34 071 Salaries and Maldinanche 34 071 Salaries and Maldinanche 34 071 Salaries and Maldinanche 34 071 Salaries and Maldinanche Sandres Sandr	*	Other Water Revenues																
Departing Expenses Section Sec	so.		ł							39.377	1	ļ.		,				
Purchased Water Sepage	g	Operating Expenses					•		•						•			
Purchased Water 69 895 Purchased Power 324,146 9,151 Cheritased Power 4 602 9,151 Charlesed Power 4 602 9,151 Charlesed Production 4 602 9,151 Repairs and Maintenance 34,071 9,101 Contractual Services - Professional 1,038,036 9,190 Contractual Services - Professional 4,1807 1,1807 Contractual Services - Other 97,304 1,1807 Water Testing 4,1807 4,169 1,170 Malerials and Supplies 2,3,36 2,3,36 3,372 Malerials and Supplies 3,3,32 3,372 3,372 3,372 Malerials and Supplies 5,262,562 5,31,32 3,372 3,372 Malerials and Supplies 4,17,142 3,30,29 3,372 Operating Expenses	_	Salaries and Wages	•															
Purchased Power 324,148 9,151 130	8	Purchased Water	69 895															
Contractual Services - Production	ø	Purchased Power	324,148							9.15								
Repairs and Maintenance 34,071 Office Supplies and Expense 34,071 Outside Services 1,039,036 Contractual Services - Professional Contractual Services - Other 4,1807 Contractual Services - Other 97,904 Waker Testing 4,1807 Retts 60,322 Instructual Services - Other 29,680 Materials and Supplies 61,322 Materials and Supplies 61,322 Materials and Supplies 61,322 Materials and Supplies 61,322 Materials and Dividend Income \$ 360,280 \$ (68,138) \$ (2.014) \$ \$ 30,086 Interest and Dividend Income 5,045 Interest Expense \$ 60,100 \$ \$ (68,138) \$ (2.014) \$ \$ 30,086 Interest Expense \$ 30,086 Interest Expense \$ 252,585 \$ (68,138) \$ (2.014	9	Chemicals	4,602							130								
Contractual Services - Professional Contractual Services - Professional Contractual Services - Professional (1,039,036	=	Fuel for Power Production	. '							!								
Office Supplies and Expense 34,071 Outland Liab Services - Professional Contractual Services - Professional Contractual Services - Professional 1,039,036 1,039,036 Contractual Services - Professional Contractual Services - Other Visit Testing Contractual Services - Other Professional Contractual Services - Other Professional Contractual Services - Other Professional Contractual Services - Other Professional Contractual Services - Other Professional Contractual Services - Other Professional Contractual Services - Other Professional Contractual Services - Other Professional Contractual Contra	2	Repairs and Maintenance	•															
Contactual Services - Professional 1,039,036 Contractual Services - Professional 41,807 Contractual Services - Other 97,904 Waker Testing 4,169 Rents 4,169 Regulatory Commission Expense 27,865 Regulatory Commission Expense 27,865 Regulatory Commission Expense 22,865 Regulatory Commission Expense 22,865 Regulatory Commission Expense 32,865 Miscellaneous Applies 66,352 Marcellaneous Applies 66,352 Depreciation Taxes 147,142 Cotal Operating Expense \$ 2,692,502 \$ 68,138 Interest and Dividend Income \$ 340,280 \$ (81,138) \$ 2,014 AFUDC Income \$ 340,280 \$ (81,138) \$ 30,086 Miscellaneous Non-Utility Expense \$ 3645 \$ \$ 30,086 Inferest Expense \$ 252,585 \$ (81,138) \$ 30,086 SUPPORTING SCHEDULES: \$ 30,086 C-2 \$ 30,086	m	Office Supplies and Expense	34,071															
Contractual Services - Professional Contractual Services - Professional Contractual Services - Other S	4	Outside Services																
Contractual Services - Testing 41,807 Contractual Services - Other Vocate Testing 97,804 Valer Testing 4,169 Rents Ferits Rents From Residual Institution Expense 4,169 Regulatory Commission Expense 20,865 Miscelleneous Applies Adjusted Commission Expenses 60,352 Miscelleneous Dependation 20,802 Miscelleneous Dependation 61,392 Property Taxes Income (Expenses) 147,142 Antiversiting Expenses \$ 2,692,502 Operating Income (Expenses) \$ 340,290 Antiversit Expenses (88,138) Antiversit Expenses (89,138) Antiversit Expenses (89,138) Antiversit Expenses (89,138) Antiversit (Loss) (89,138) Antiversit (Loss) (89,138) Antiversit (Loss)	6	Contractual Services - Professional	1,039,036												_	(950 789)	e e	R5 514
Contractual Services - Other 97,904 Water Testing 4,169 Rent Testing 4,169 Transportation 27,865 Insurance 27,865 Requistory Commission Expense 27,865 Materials and Supplies 22,862 Miscelleneous 61,392 Depreciation 64,139 Taxes Other Than Income 155,057 Property Taxes 147,142 Property Taxes 147,142 Property Taxes 147,142 Operating Income \$ 340,290 \$ (88,138) \$ (2.014) \$ \$ 3,056 Almost Income (Expense) \$ 340,290 \$ (88,138) \$ (2.014) \$ \$ 3,056 Interest Expense (300) Interest Expense (300) Interest Expense \$ (300) Interest Expense \$ (300) Interest Expense \$ (300) Interest Expense \$ (300) Interest Expense \$ (300) Interest Expense \$ (300) Interest Expense \$ (300) Interest Expense \$ (300) Intere	9	Contractual Services - Testing	41,807											(2.394)		in the second	3	<u> </u>
Waster Testing 4,169 Retits 4,169 Transportation Insurance 27,865 Regulatory Commission Expense 33,172 Meterials and Supplies 22,680 Materials and Supplies 22,680 Materials and Supplies 22,682 Materials and Supplies 22,682 Materials and Supplies 145,057 2,014 Depreciation 562,211 68,138 Income Tax 147,142 2,014 Operating Expenses 340,290 (88,138) 2,014 Other Income 5,045 447,142 5,045 Miscellaneous Non-Utility Expenses 5,045 68,138) 2,014 5,045 Miscellaneous Non-Utility Expenses 5,045 5,045 5,045 5,045 68,136) 5,045 6,045 Actual Other Income (Expense) \$ 252,585 \$ (87,705) \$ 30,096 6,045 6,045 6,045 6,045 Suppropries \$ 252,585 \$ (88,136) \$ (2,014) \$ 30,096 Suppropries \$ 25	_	Contractual Services - Other	97,904													250 780		
Tanisportation Continuous Continuo Contin	8	Water Testing	. •													2		
Transportation 60,332 Transportation 60,332 Transportation 60,332 Transportation 77,865 Transportation 27,865 Transportation 27,865 Transportation 29,680 Transportation 562,211 68,138 Transportation 562,211 68,138 Transportation 562,211 68,138 Transportation 562,211 68,138 Transportation 562,211 68,138 Transportation 562,212 562,505 Transportation 562,505 Transportation 562,505 Transportation 562,505 Transportation 562,505 Transportation 562,565 0	Rents	4 189																
Regulatory Commission Expense 27,865 Regulatory Commission Expense 33,172 Additional and Supplies 29,880 Additional and Supplies 643,982 Additional and Supplies 643,982 Additional and Supplies 642,211 68,138 Additional and Supplies 642,211 68,138 Additional and Supplies 2,014 4	٥	Transportation	60 352															
Regulatory Commission Expense 33,172 . Malerials and Supplies 29,680 . Miscellaneous 661,382 . Depreciation 562,211 68,138 Taxes Other Than income 145,057 2,014 Property Taxes income Tax 147,142 2,014 Total Operating Expenses \$ 2,682,502 68,138 2,014 Operating Income \$ 340,290 (68,138) 2,014 \$ 30,096 Other Income 5,045 (68,138) (2,014) \$ 30,096 AFUDC Income 5,045 68,138 2,014 \$ 30,096 Miscellaneous Non-Utility Expenses 5,045 \$ 30,096 Miscellaneous Expense \$ (87,705) \$ 252,585 \$ (68,139) \$ (2,014) \$ 30,096 Supporting Expense \$ 252,585 \$ (68,139) \$ (2,014) \$ 30,096 Supporting Expense \$ 252,585 \$ (68,139) \$ (2,014) \$ 30,096 Supporting Expense \$ 252,585 \$ (68,139) \$ (2,014) \$ 30,096	_	Insurance	27 A65															
Makerials and Supplies 22,880 Miscellaneous 61,392 Dependence ous 662,211 68,138 Dependence ous 147,142 2,014 Property Taxes 147,142 2,014 Total Operating Expenses \$ 2,682,502 \$ 68,138 \$ 2,014 Operating Income \$ 340,290 \$ (88,138) \$ 2,014 Other Income (Expense) \$ 340,290 \$ (88,138) \$ 30,096 Miscellaneous Non-Utility Expenses 5,045 \$ 50,000 Interest Expense \$ (87,705) \$ (87,705) \$ 30,096 Avel Dotal Other Income (Expense) \$ 252,585 \$ (68,138) \$ (2,014) \$ 30,096 SUPPORTING SCHEDULES: \$ (68,138) \$ (2,014) \$ 30,096 SUPPORTING SCHEDULES: \$ (68,138) \$ (2,014) \$ 30,096	~	Regulatory Commission Expense	33 172					1										
Miscellaneous 61,392 Depreciation 562,211 68,138 Taxes Other Than Income Property Taxes 155,057 2,014 Property Taxes Income Tax 147,142 2,014 \$ Total Operating Expenses \$ 2,682,502 68,138 \$ 2,014 \$ Operating Expenses \$ 2,682,502 68,138 \$ 2,014 \$ \$ 9,281 Operating Income Expenses \$ 340,290 \$ (88,138) \$ \$ 30,096 Interest and Dividend Income AFUDIC Income Miscellaneous Non-Utility Expenses (92,250) \$ (87,705) \$ \$ 30,096 Total Other Income (Expense) \$ 252,585 \$ (68,139) \$ (2,014) \$ \$ 30,096 SUPPORTING SCHEDULES: \$ 252,585 \$ (68,139) \$ \$ 30,096	ď	Melecials and Supplies	29.680					٠										
Depreciation 562.211 68.138 Taxes Other Than Income 145,057 2.014 Property Taxes 147,142 2.014 Income Tax 147,142 2.014 Operating Expenses \$ 2,692,502 68,138 2.014 \$ 3.261 Operating Expense \$ 340,290 \$ (88,138) \$ 2,014 \$ 30,096 Other Locome (Expense) \$ 340,290 \$ (88,138) \$ 30,096 Africellaneous Non-Utility Expense 5,045 \$ 30,096 Aniscellaneous Non-Utility Expense (500) \$ 30,096 Total Other income (Expense) \$ 252,585 \$ (88,138) \$ 30,096 SulPPORTING SCHEDULES: \$ 30,096 C-2 \$ 252,585 \$ (88,139) \$ 30,096	4	Miscellaneous	84 302															
Taxes Other Than Income 155,057 2,014 Property Taxes 147,142 2,014 Property Taxes 147,142 2,014 Total Operating Expenses \$ 2,692,502 \$ 681,136 \$ 2,014 Operating Income \$ 340,290 \$ (68,136) \$ (2,014) \$ 30,096 Other Income Space \$ 340,290 \$ (68,136) \$ 30,096 AFUDC Income \$ 5,045 \$ 30,096 \$ 30,096 Miscellaneous Non-Utility Expenses \$ (500) \$ (500) Inferest Expense \$ (60) \$ (68,136) \$ (2,014) \$ 30,096 Total Other Income (Expense) \$ (60) \$ (68,136) \$ (2,014) \$ 30,096 SUPPORTING SCHEDULES: \$ (68,136) \$ (2,014) \$ 30,096 C-2 \$ (68,136) \$ (2,014) \$ 30,096	L.	Depresignation	462,11		82 128													
Property Taxes 155.057 2,014	90	Taxes Other Than Income																
Total Operating Expenses		Property Taxas	155.057			,	717											
Total Operating Expenses \$ 2,692,502 \$ 68,138 \$ 2,014 \$ 9,281 Operating income (Expense) \$ 340,290 \$ (48,138) \$ (2,014) \$ 30,098 Other income (Expense) \$ 340,290 \$ (48,138) \$ (2,014) \$ 30,098 AFUDC Income AFUDC Income AFUDC Income (Expense) \$ (500) \$ (500) Interest Expense \$ (87,705) \$ (87,705) \$ (87,705) Total Other income (Expense) \$ (26,705) \$ 30,096 SUPPORTING SCHEDULES: \$ 30,096 C-2 E-2	. 00	Income Tex	147 142			i	<u>.</u>											
Total Operating Expenses \$ 2,692,502 \$ 68,138 \$ 2,014 \$ \$ 9.281 Operating Income \$ 340,290 \$ (68,138) \$ (2,014) \$ \$ 30,096 Other Income \$ 340,290 \$ (68,138) \$ (2,014) \$ \$ 30,096 AFUDC Income \$ 0,045 Miscellaneous Non-Utility Expenses \$ (500) Interest Expense \$ (87,705) \$ \$ 30,096 Total Other Income (Expense) \$ (87,705) \$ \$ 30,096 SUPPORTING SCHEDULES: \$ 30,096 C-2 E-2	ф		!															
Operating Income \$ 340,290 \$ (88.138) \$ (2.014) \$ \$ 30,098 Other Income (Expense) 5,045 \$ 30,098 Interest and Dividend income 5,045 \$ (500) Miscellaneous Non-Utility Expenses (500) \$ (87.250) Interest Expense \$ (87.705) \$ (87.705) \$ (87.705) \$ \$ 30,096 Supporting SCHEDULES: \$ (68,138) \$ (2.014)	9	Total Operating Expenses	ı	ı	1		1			9 281				,Or C)	9		AR.	24.4
Other Income (Expense) 5,045 AFUDC Income 5,045 AFUDC Income 5,045 Miscellaneous Non-Utility Expenses (500) Interest Expense (82,250) Total Other Income (Expense) \$ (87,705) \$ \$ 30,096 Net Profit (Loss) \$ 252,585 \$ (681,138) \$ (2,014) \$ \$ 30,096 SUPPORTING SCHEDULES: C-2 E-2	=	Operating income		s.					J	30.098		,		2 394			ı	(RS 514)
Interest and Dividend Income	O.	Other Income (Expense)												-				
AFUDC Income 5,045 Miscellaneous Non-Utility Expenses (92,250) Interest Expense (97,705) \$ \$ Total Other Income (Expense) \$ (67,705) \$ \$ SUPPORTING SCHEDULES: \$ (68,136) \$ \$ 30,096 C-2 E-2		Interest and Dividend Income	•															
Miscellaneous Non-Utility Expenses (500) Inferest Expense (92,250) Total Other Income (Expense) \$ (87,705) \$ \$ 30,096 SUPPORTING SCHEDULES: \$ (2,014) \$ \$ 30,096 C-2 E-2	₹	AFUDC Income	5,045															
Interest Expense (92,250) Total Other Income (Expense) \$ (87,705) \$ \$ 30,096 SUPPORTING SCHEDULES: C-2 C-2 E-2	10	Miscellaneous Non-Utility Expenses	(200)															
Total Other Income (Expense) \$ (87.705) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	9	Interest Expense	(92,250)															
Net Profit (Loss) \$ 252,585 \$ (88,138) \$ (2,014) \$ \$ 30,098 SUPPORTING SCHEDULES: C-2 E-2	- 40	Total Other Income (Expense)											ļ					
SUPPORTING SCHEDULES: 6.2 E-2	9	Mai Gunda () anna				ľ	т				1				-1	1	١	ا.
	2 9	Nei From (Loss)	C9C'7C7 ◆	٨					٥	30,096	п		5	2,394	<u>,</u>	•	\$ (85,	(85,514)
	- -	SUPPORTING SCHEDULES:																
3 E-2	S	C-2																
	g	E-2																

Liberty Utilities (Rice Rice Water & Sewer) Corp. dba Liberty Utilities Test Year Ended December 31, 2014 Income Statement

Exhibit Settlement Schedule C-1 Page 2.2 Witness: Bourassa

		2 Corporate		10 Corporate	Ħ	21	11	14 Intentionally	15	91	j		7		3
를웨~	Revenues	Cost Adj			Capitalized Labor	Postage	Incentives & Renta	Left	Interest Synch,	Income Taxes			Rate Increase	with Rate	R 은 왜
21.00	Metered Water Revenues Unmetered Water Revenues										3,0	3,023,915 \$	814,262 \$	3,838,177	1177
4 4	Other Water Revenues											48,254		48,254	,254
9	Operating Expenses	•	*			•	·	, ທ	, ,	••	0'6 \$ -	3,072,169 \$	814,262 \$		431
ب «	Salaries and Wages										•	ı	•		•
•	Purchased Power										·	69,895		66	69,895
₽:	Chemicals										•	4.732		,,,,	993,288 4 739
- :	Fuel for Power Production											ļ,		ř	ţ.
7 5	Copairs and Marianance											•			1
4	Outside Services											34,071		त्रं	34,071
2	Contractual Services - Professional	(20,906)	(906	(23,184)	(4,585)		(10,550)				•	685.534		KR5 574	75
9 :	Confractual Services - Testing											39,413		Š	38,413
- 0	Month of the services - Other			21,911			(5,104)				•	474,500		474	200
<u> </u>	Vvater Tesung Rapta														. 1
2 2	Transportation											4,169		4	4,169
77	Insurance											90,352		8	60,352
22	Regulatory Commission Expense											33,172		3 6	33 172
2	Materials and Supplies											29.680		Ŕ	20,680
7 1	Miscellaneous					(1,164)	_					60,228		8	60,228
9 4	Teves Other Then Income										9	530,348		630,3	830,348
27	Procerty Taxes										•	. !			. !
28	Income Tax									(25.072)		15/,0/1 122,070	13,881	170,	170,853
R 18	Total Operating Expenses	(20 908)	- 1	/4 973\ e	* (302 F)	9 (40) 17	1			ı	-	F	- 1		<u> </u>
3 5	Operating Income	20 00	9 80	1 273	4 585		(bCQ'CI)	^	,	\$ (25,072)	s,	- 1	- 1	3,079,324	324
32	Other Income (Expense)	-		9	P f		٠		•	n'cz	1	305,770 \$	\$01,337 \$	807,	107
8	Interest and Dividend Income								•						
3 %	AFUDC income											5,045		5.0	5,045
9 %	Interest Expanse											(200)		₩.	(200)
38									(4.980)	~	_	(97,229)		(97.	(97,229)
88	Total Other Income (Expense)		ب				٠,	\$	\$ (4,980)			92.684) \$	•	(92.6	884
8 5	Net Pront (Loss)	S 20,908	- 1	1,273 \$	4,585 \$	1,164	\$ 15,854	\$	\$ (4,980)] \$ 25,072	5	213,086 \$	501,337 \$	714.	714,423
4 4	SUPPORTING SCHEDULES:											낊	RECAP SCHEDULES:	KES:	
6	E-2											Ó	C-1, page 1		

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Adjustments to Revenues and Expenses

Exhibit Settlement Schedule C-2 Page 1 Witness: Bourassa

Line			Adiustme	ents to Revenues ar	d Expenses			
<u>No.</u> 1		1	2	3	4	<u>5</u> Intentionally	<u>6</u>	<u>Subtotal</u>
2 3 4	Revenues	<u>Depreciation</u>	Property <u>Taxes</u> -	Rate <u>Case Expense</u> -	Usage Normalization 39,377	Left <u>Blank</u> -	Water <u>Teşting</u>	39,377
5 6	Expenses	68,138	2,014		9,281	<u>-</u>	(2,394)	77,039
7 8	Operating						\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	
9 10	Income	(68,138)	(2,014)	-	30,096	-	2,394	(37,662)
11	Interest							
12	Expense							-
13 14	Other income /							
15	Expense							-
16	Expense				 ·		· · · · · · · · · · · · · · · · · · ·	
17	Net Income	(68,138)	(2,014)		30,096	· <u>-</u>	2,394	(37,662)
18 19								
20			Adjustma	nts to Revenues an	d Evasasa			
21		7	8	9	10	<u>11</u>	<u>12</u>	Culptotal
22		Reclass	Corporate	Corporate	Corporate	1.1	12	Subtotal
23		Contractual	Cost Adj.	Cost Adj.	Cost Adj.	Capitalized		
24 25	Revenues	<u>Services</u>	Non-Labor	Labor	Labor Inc	<u>Labor</u>	<u>Postage</u>	
26	Revenues	-	-	-	-	•	•	39,377
27	Expenses		65,514	(20,908)	(1,273)	(4,585)	(1,164)	114,623
28 29	Opposition							
30	Operating Income	_	(65,514)	20,908	1,273	4 505	4 404	(T. 0.15)
31			(05,514)	20,900	1,213	4,585	1,164	(75,245)
32	Interest							
33	Expense	-						_
34 35	Other Income /							
36	Expense							-
37								
38	Net Income	1,07,0000000000000000000000000000000000	(65,514)	20,908	1,273	4,585	1,164	(75,245)
39 40								
41			Adjustmer	nts to Revenues and	Evanas			
42		<u>13</u>	14	15 to Revenues and	16			Tatal
43		Intentionally	Intentionally		<u></u>			<u>Total</u>
44		Left	Left	Interest	Income			
45 46	Revenues	<u>Blank</u>	Blank	Synchronization	Taxes			
47	11646/IUCS	•	-	-	-			39,377
48	Expenses	(15,654)		•	(25,072)	-		73,897
49	Opposition							10,051
50 51	Operating Income	15,654	_		25.072			
52		15,554	-	-	25,072	-	-	(34,520)
53	Interest							
54	Expense			(4,980)				(4,980)
55 56	Other Income /							• •
57	Expense							-
58								
59	Net Income	15,654	<u> </u>	(4,980)	25,072			(39,499)
								<u> </u>

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Adjustments to Revenues and Expenses Adjustment Number 1

Exhibit Settlement Schedule C-2 Page 2 Witness: Bourassa

Depreciation Expense

l ine	Acct.		Adjusted Original	Non-Depr.	Depreciable	Dan	B 1.11
No.	No.	Description	Original	and Fully	Original	Proposed	Depreciation
1 1	101	Plant-in-Service	Cost	Depr. Plant	Cost	Rates	Expense
2	301	Organization Cost	- 5,785	(5,785)	-	0.00%	-
2	302	Franchise Cost	417	(5,765) (417)	-	0.00% 0.00%	-
3	303	Land and Land Rights	45,968	(45,968)		0.00%	•
4	304	Structures and Improvements	3,185,381	(45,500)	3,185,381	3.33%	106,073
5	305	Collecting and Impounding Res.	-,,		0,100,001	2.50%	100,013
6	306	Lake River and Other Intakes	-		-	2.50%	_
7	307	Wells and Springs	505,898		505.898	3.33%	16,846
8	308	Infiltration Galleries and Tunnels	•		,	6.67%	70,0-0
9	309	Supply Mains	272,502		272,502	2.00%	5,450
10	310	Power Generation Equipment	219,360		219,360	5.00%	10,968
11	311	Electric Pumping Equipment	2,321,470		2,321,470	12.50%	290,184
12	320	Water Treatment Equipment	0		0	3.33%	0
13	320.1	Water Treatment Plant	370,088		370,088	3.33%	12,324
14		Chemical Solution Feeders	5,409		5,409	20.00%	1,082
15	330	Dist. Reservoirs & Standpipe	0		O	2.22%	0
16	330.1	Storage tanks	690,752		690,752	2.22%	15,335
17	330.2		69,778		69,778	5.00%	3,489
18	331	Trans. and Dist. Mains	22,819,558		22,819,558	2.00%	456,391
19 20	333 334	Services	4,455,157		4,455,157	3.33%	148,357
21	335	Meters	1,741,794		1,741,794	8.33%	145,091
22	336	Hydrants Backflow Prevention Devices	637,006		637,006	2.00%	12,740
23	339	Other Plant and Misc. Equip.	15,855		15,855	6.67%	1,058
24	340	Office Furniture and Fixtures	123,778		123,778	6.67%	8,256
25	340.1	Computers and Software	35,014 159,572	(70.040)	35,014	6.67%	2,335
26	341	Transportation Equipment		(76,919)	82,652	20.00%	16,530
27	342	Stores Equipment	141,853	(138,029)	3,823	20.00%	765
28	343	Tools and Work Equipment	100,632		100 622	4.00%	-
29	344	Laboratory Equipment	3,061	(3,061)	100,632	5.00%	5,032
30	345	Power Operated Equipment	5,001	(3,001)	-	10.00% 5,00%	•
31	346	Communications Equipment	303,104		303,104	10.00%	20.240
32	347	Miscellaneous Equipment	5,427		5,427	10.00%	30,310 543
33	348	Other Tangible Plant	•		0,421	10.00%	343
34		SUBTOTAL	\$ 38,234,621	\$ (270,179) \$	37,964,442	10.00%	1,289,159
35			, ,	(=:::::::::::::::::::::::::::::::::::::		•	1,203,133
36							
37	903	Land and Land Rights	13,896	(13,896)	-	0.00%	_
38	904	Structures and Improvments	150,903	, , ,	150,903	2.56%	3,863
39	940	Office Furniture and Fixtures	42,947		42,947	6.67%	2,865
40	940.1	Computers and Software	112,479		112,479	20.00%	22,496
41		TOTALS	\$ 38,554,845	\$ (284,075) \$	38,270,770		
42							
43				_	Gross	Amort. Rate	
44	Less: An	nortization of Contributions		\$	20,261,911	3.3957% \$	(688,034)
45							(000,000.7
46							
47	T D					<u></u>	(688,034)
48	rotal Dej	preciation Expense				9	630,348
49 50	Adjusted	Test Vess Dense sisting Consum					
51	Adjusted	Test Year Depreciation Expense					562,211
52	Increase	(decrease) in Depresiation France					
	Increase	(decrease) in Depreciation Expense					68,138
53 54	Adjustes	ent to Powonico and/o- F					
	~ujusti1€	ent to Revenues and/or Expenses				_5	68,138
55 56	SUDDOD	TING SCHEDULE					
56 57	B-2, page	RTING SCHEDULE					
٠,	ع-د, µage	. •					

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 2

Exhibit Settlement Schedule C-2 Page 3 Witness: Bourassa

Property Taxes

Line			Test Year		Company
No.	DESCRIPTION		as adjusted	R ₄	ecommended
<u> 1</u>	Company Adjusted Test Year Revenues	\$	3,072,169	\$	3,072,169
2	Weight Factor	•	2	Ψ	3,072,109
3	Subtotal (Line 1 * Line 2)		6,144,339		6,144,339
4	Company Recommended Revenue		3,072,169		3,886,431
5	Subtotal (Line 4 + Line 5)		9,216,508		10,030,770
6	Number of Years		3		3
7	Three Year Average (Line 5 / Line 6)		3,072,169		3,343,590
8	Department of Revenue Mutilplier		2		2,043,030
9	Revenue Base Value (Line 7 * Line 8)		6,144,339		6,687,180
10	Plus: 10% of CWIP (intentionally excluded)		-		0,007,100
11	Less: Net Book Value of Licensed Vehicles		1,975		1,975
12	Full Cash Value (Line 9 + Line 10 - Line 11)		6.142.363		6,685,205
13	Assessment Ratio		18.0%		18.0%
14	Assessment Value (Line 12 * Line 13)		1,105,625		1,203,337
15	Composite Property Tax Rate - Obtained from ADOR		14.2066%		14.2066%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$	157,071	\$	170,953
17	Tax on Parcels	Ψ	137,071	Ψ	170,955
18	Total Property Taxes (Line 16 + Line 17)	\$	157,071		=
19	Test Year Property Taxes	\$	155,057		
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	\$	2,014		
21	, and to the state of the state	<u> </u>	2,014		
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)				170.000
23	Company Test Year Adjusted Property Tax Expense (Line 18)			\$	170,953
24	Increase in Property Tax Due to Increase in Revenue Requirement			-	157,071
25	marada in Francis rax oue to increase in Nevenue Nequilement			<u> </u>	13,881
26	Increases in Property Tay Due to Increase in Development Inc.				
27	Increase in Property Tax Oue to Increase in Revenue Requirement (Line 24) Increase in Revenue Requirement			\$	13,881
28				\$	814,262
29	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27)				1.70479%
30					
31					
32					
32					

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 3 Exhibit Settlement Schedule C-2 Page 4 Witness: Bourassa

Rate Case Expense

Line <u>No.</u>			
1			
2			
3 4	Estimated Rate Case Expense	\$	165,860
5	Estimated Amortization Period in Years		5
7 8	Annual Rate Case Expense	\$	33,172
9	Test Year Rate Case Expense	\$	33,172
10			
11	Increase(decrease) Rate Case Expense	\$	-
12		·	_
13	Adjustment to Revenue and/or Expense	\$	-
14			
15			
16	Reference		
17	Testimony		
18			
19			
20			

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 4 Exhibit Settlement Schedule C-2 Page 5 Witness: Bourassa

Usage Normalization

Line			
No.			
1	Usage Normalization Adjustment per Settlement	\$	(57,384)
2	Usage Normalization Adjustment per Direct		(96,762)
3	Increase (decrease) in Revenues	\$	39,377
4			
5	TY Purchased Power Expense	\$	343,825
6	Gallons Sold During Test Year (in 1,000s)		636,008
7	Cost per 1,000 gallons	\$	0.5406
8			
9	Additional Gallons Sold from Usage Normalization (in 1,000s) per Settlement		(22,420)
10	Additional Gallons Sold from Usage Normalization (in 1,000s) per Direct		(39,347)
11	Increase (decrease) in Gallons Sold	· ·	16,927
12			
13			
14	Increase (decrease) in Purchased Power	\$	9,151
15			
16	TY Chemicals Expense	\$	4,882
17	Gallons Sold During Test Year (in 1,000s)		636,008
18	Cost per 1,000 gallons	\$	0.0077
19			
20	Increase (decrease) in Gallons Sold from Usage Normalization (in 1,000s)		16,927
21			
22	Increase (decrease) in Chemicals Expense	\$	130
23			
24			
25	Adjustment to Revenue and/or Expense	_\$	30,096
26			
27	Reference		
28	Testimony		
29	Work papers		
30			

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses

Adjustment Number 5

Exhibit Settlement Schedule C-2 Page 6 Witness: Bourassa

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Line
No.
1
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20

Test Year Ended December 31, 2014
Adjustment to Revenues and Expenses
Adjustment Number 6

Exhibit Settlement Schedule C-2 Page 7 Witness: Bourassa

Water Testing Expense

Line			
No.			
1	Water Testing Expense per Staff	\$	39,413
2	Adjusted TY Water Testing Expense plus Reclass	\$	41,807
3			
4			
5			
6	Adjustment to Water Testing Expense	\$	(2,394)
7		•	
8			
9	Adjustment to Revenue and/or Expense	\$	(2,394)
10	•		
11	Reference		
12	Testimony		
13	H-1		
14			
15			
16			
17			
18			
19			
20		-	

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 7 Exhibit Settlement Schedule C-2 Page 8 Witness: Bourassa

Reclassify Contractual Services - Labor

Line			
No.			
1			
2	Contractual Services - Professional (labor)	\$	(359,789)
3	Contractual Services - Other (labor)		359,789
4			
5			
6			
7	Adjustment to Expenses	\$	-
8			
9			
10	Adjustment to Revenue and/or Expense	\$	-
11			
12	Reference		
13	Testimony		
14	Work Papers		
15			
16			
17			
18			
19			
20			

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 8 Exhibit Settlement Schedule C-2 Page 9 Witness: Bourassa

Corporate Cost Adjustment - Non-Labor

Line			
No.			
1			
2	Corporate Allocation Adjustment		
3			
4	Adjusted Allocated Non-Labor Costs During Test Year per Settlement	\$	293,956
5	Adjusted Allocated Non-Labor Costs During Test Year per Direct	\$	228,442
6			
7	Adjustment to Contractual Services Professional	\$	65,514
8		 -	, , , , , , , , , , , , , , , , , , , ,
9			
10	Adjustment to Revenue and/or Expense	\$	65,514
11			
12	Reference		
13	Testimony		
14	Work Papers		
15			
16			
17			
18			
19			
20			

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 9

Exhibit Settlement Schedule C-2 Page 10 Witness: Bourassa

Contracual Services - Labor

Line		
<u>No.</u>		
1	Allocated Contract Services - Professional	
2		
3	Adjusted Allocated Contractual Services APUC, LUCC and LABS per Settlement	\$ 50,745
4	Adjusted Allocated Contractual Services LU(SUB) per Settlement	329,379
5	Total	\$ 380,124
6	Adjusted Allocated Contractual Services - Professional (labor) per Direct	760,821
7	Required Adjustment	\$ (380,696)
8	Amount reclassified to Contractual Services - Other (see Rj. Adj. #7)	(359,789)
9	Net Adjustment to Contractual Services Professional	\$ (20,908)
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22	Adjustment to Revenue and/or Expense	\$ (20,908)
23	·	
24	Reference	
25	Testimony	
26	Work Papers	
27	•	

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 10 Exhibit Settlement Schedule C-2 Page 11 Witness: Bourassa

Corporate Cost Adjustment - Labor

Line			
<u>No.</u>			
1			
2	Allocated Contract Services - Professional (Labor)		
3	Allocated Labor Costs per Settlement	\$	380,124
4	Factor (1)		6.09%
5	Increase in Labor Costs per Settlement	\$	23,150
6	Increase in Labor Costs per Direct		46,334
7	Adjustment to Contractual Services - Professional	\$	(23,184)
8			
9	Allocated Contract Services - Other (Labor)		
10	Test Year Allocated Labor Costs	\$	425,209
11	Factor (1)		6.09%
12	Increase in Labor Costs per Settlement	\$	25,895
13	Increase in Labor Costs per Direct		3,984
14	Adjustment to Contractual Services - Other	\$	21,911
15		<u> </u>	
16			
17			
18	Adjustment to Revenue and/or Expense	\$	(1,273)
19		- 	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
20	Reference		
21	Testimony		
22	Work papers		
23			
24			
25	(1) Average wage increase of 3% compounded over 2 years.		
26	•		

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 11 Exhibit Settlement Schedule C-2 Page 12 Witness: Bourassa

Capitalized Expense

Line			
No.			
1	Arizona Direct Labor to be Capitalized	\$	56,054
2		•	•
3	Updated Allocation Factor		8.18%
4			
5	Allocated Capitalized Expense	\$	4,585
6			•
7	Increase (decrease) in Contractual Services - Professional	\$	(4,585)
8			
9			
10	Adjustment to Revenue and/or Expense	\$	(4,585)
11			
12			
13			
14			
15	Reference		
16	Testimony		
17	Work papers		
18			
19			

20

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 12

Exhibit Settlement Schedule C-2 Page 13 Witness: Bourassa

Postage

Line			
<u>No.</u>			
1			
2	Number of Water Bills in the Test Year Including Annualized Bills		76,897
3	<u>-</u>		-,
4	US Postal Decrease in Postage	\$	(0.02)
5	•	•	(3.3)
6	Total Adjustment to Postage Due to Postage Price Decrease	\$	(1,538)
7		•	(1,444)
8	Water Division Allocation factor		75.67%
9			10.01 /
10	Increase (decrease) in Miscellaneous Expense	\$	(1,164)
11			
12	Adjustment to Revenue and/or Expense	S	(1,164)
13	·		(7,1.2.7)
14			
15			
: =			

16 17

18

19 Reference 20 Testimony 21 Work papers 22

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 13 Exhibit Settlement Schedule C-2 Page 14 Witness: Bourassa

Incentive Pay and Rents

Line						
No.						
1			RR - Water	RR-Sewer		<u>Bella Vista</u>
2	Corporate					
3	Contractual Services - Professional Adjustment	\$	(10,550)	\$ (3,224)	\$	(15,399)
4						
5	Liberty Utilities Sub Corp.					
6	Contractual Services - Other Adjustment	_\$	(5,104)	\$ (1,560)	<u>s</u>	(7,451)
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17	5.4					
18	Reference					
19	Work papers					
20						

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 14

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Line <u>No.</u> 1 2 3

Exhibit Settlement Schedule C-2 Page 15 Witness: Bourassa

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 15 Exhibit
Settlement Schedule C-2
Page 16
Witness: Bourassa

Interest Synchronization

Line No. 1 2 3					
4	Fair Value Rate Base	•	10,454,760		
5	Weighted Cost of Debt		0.93%		
6	Interest Expense			\$	97,229
7					
8 9	Test Year Interest Expense			\$	92,250
10	Increase (decrease) in Interest Expense				4,980
11					,
12					
13					
14	Adjustment to Revenue and/or Expense			\$	(4,980)
15					
16					
17	Weighted Cost of Debt Computation				
18 19		_	_	V	Veighted
20	Debt	Percent	Cost		<u>Cost</u>
21	Equity	30.00%	3.10%		0.93%
22	Total	70.00% 100.00%	9.70%		6.79%
23	Total	100.00%			7.72%
24					
25					
26					
27					
28					
29					
30					

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division
Test Year Ended December 31, 2014
Adjustment to Revenues and/or Expenses
Adjustment Number 16

29 30 Exhibit Settlement Schedule C-2 Page 17 Witness: Bourassa

		Adjustment Number 15		W	itness: Boura	ssa
Line						
No.						
1	Income Taxes					
2 3			Te	est Year	Т	est Year
			at Pn	sent Rates		posed Rates
4	Computed Income Tax		\$	122,070	\$	421,113
5	Test Year Income tax Expense		•	-	•	122,070
6	Adjustment to income Tax Expense		\$	122,070	\$	299,043
7						200,040
8						
9						
10						
11						
12						
13	SUPPORTING SCHEDULE					
14	C-3, page 2					
15						
16						
17						
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27						
28						

Computation of Gross Revenue Conversion Factor

Exhibit

Settlement Schedule C-3

Page 1

Witness: Bourassa

		Percentage
		of Incremental
Line		Gross
No.	Description	Revenues
1	Combined Federal and State Effective Income Tax Rate	37.363%
2		
3 4	Property Taxes	1.068%
5		
6	Total Tax Percentage	20.4000
7	Town Tan I Oldonlage	38.430%
8	Operating Income % = 100% - Tax Percentage	61.570%
9 .		01:57076
10		
11		
12		
13 14	1 = Gross Revenue Conversion Factor Operating Income %	
15	Operating income %	1.6242
16		
17		
18		
19		
20		
21		
22 23		
23		
25	SUPPORTING SCHEDULES:	55545 66456
26	C-3, page 2	RECAP SCHEDULES: A-1
27	4,5-9-0	A-1
28		
29		
30		
31		
32 33		
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40		

GROSS REVENUE CONVERSION FACTOR

Line No.		(A)	(B)	(C)	(D)	Œ	ĮF]
1 2 3 4 5	Calculation of Gross Revenue Conversion Factor: Revenue Uncollecible Factor (Line 11) Revenues (1.1 - L2) Combined Federal and State Income Tax and Property Tex Rete (Line 23) Salbotal (L3 - L4) Revenue Conversion Factor (L1 / L6)	100.0000% 0.0000% 100.0000% 33.4305% 61.5937% 1.524180					
7 8 9 10	Calculation of Uncollectible Factor: Unity Combined Faderal and State Tax Rate (L17) Che Minus Combined Income Tax Rate (L7 - L8) Uncollectible Rate Uncollectible Factor (L8* L10)	100,0000% 37,3626% 82,8374% 0,0000%	d.poop%				
12 13 14 15 18	Arizona State Income Tax Rate Federal Taxable Income (L12 - L13)	100.0000% 4.9000% 95.1000% 34,1352% 32.4628%	37.3626%				
18 19 20 21 22 23	One Minus Combined Income Tax Rate (L18-L19) Property Tax Factor Fledite Property Tax Factor (L20*L21)	100,000% 37,3626% 62,6374% 1,7048%	1,0678%	38.4305%			
24 25 26	Required Operating income AdjustedTest Year Operating Income (Loss) Required Increase in Operating Income (L24 - L25)	\$ 807,107 \$ 305,770	\$ 501,337				
27 28 29	Income Taxes on Recommended Revenue (Col. (F), L52) Income Taxes on Test Year Revenue (Col. (C), L52) Required Increase in Revenue to Provide for Income Taxes (L27 - L28)	\$ 421,113 \$ 122,070	\$ 299,043				
	Recommended Revenue Requirement Uncollectible Rate (Line 10) Uncollectible Expense on Recommended Revenue (L24 * L25) Adjusted Test Year Uncollectible Expense Required Increase in Revenue to Provide for Uncollectible Exp	\$ 3,888,431 0.0000% \$	s -				
35 36 37	Property Tax with Recommended Revenue Property Tax on Test Year Revenue Increase in Property Tax Due to Increase in Revenue (L35-L36)	\$ 170,953 \$ 157,071	S 13,881				
38	Total Required Increase in Revenue (L26 + L29 + L37)	•	\$ 814,262	(8)	•		
42 43 44 45 48 47 48 49 50 51 52 53 54 55 56	Calculation of Income Tex: Revenue Operating Depenses Excluding Income Taxes Synchronized Interest (L47) Arizona Taxable Income (L38 - L40 - L41) Arizona State Effective Income Tax Rate (see work papers) Arizona State Effective Income Tax Rate (see work papers) Arizona Income Tax (L42 x L43) Federal Taxable Income (L42 x L43) Federal Taxable Income Effective (\$50,001 - \$75,000) @ 25% Federal Tax on Second Income Bracket (\$50,001 - \$75,000) @ 25% Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34% Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34% Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34% Total Federal Income Tax Combined Federal Income Tax (L35 + L42) COMBINED Applicable Federal Income Tax Rate [Col. [D], L53 - Col. [A], L53 / WASTENANTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53] / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53] / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53] / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53] / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53] / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53] / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53] / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53] / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53] / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53] / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53 / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53 / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [G], L53 / [Col. INSTER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. 31 / ICol. (E) 1.45 - Col. (B) 1.451		83,620	(D) Compan Total \$ 3,886,431 2,858,210 97,229 \$ 1,130,993 4,900,004 \$ 55,418 \$ 1,075,574 \$ 7,500 \$ 6,250 \$ 6,250 \$ 6,500 \$ 91,650 \$ 201,795 \$ 365,695 \$ 421,114	y Recommended \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Weter 3,886,431 2,888,210 97,228 1,130,982 4,90096 55,419 1,075,573 7,500 81,650 81,650 91,650 221,795 365,695 421,113	
59	Calculation of interest Synchronization: Rate Base Weighted Awarage Cost of Debt Synchronized interest (L59 X L80)			Water i 10,454,760 0,9300% i 97,229			

Test Year Ended December 31, 2014 Summary of Cost of Capital Exhibit

Settlement Schedule D-1

Page 1

Witness: Bourassa

Consolidated Capital Structure of Water and Wastewater Division

Projected Capital Structure

			Percent	
Line			of	Cost Weighted
<u>No.</u>	Item of Capital		<u>Total</u>	Rate Cost
1	Long-Term Debt		30.00%	3.10% 0.93%
2				
3	Stockholder's Equity		70.00%	9.70% 6.79%
4		-		
5	Totals		100.00%	7.72%
6				
7				
8				
9 10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22	SUPPORTING SCHEDULES:			
23 24	D-1			
2 4 25	Testimony			
26				
27				
28				
29				
30				

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Revenue Summary With Annualized Revenues to Year End Number of Customers

Exhibit Settlement Schedule H-1 Page 1 Witness: Bourassa

Percent Percent of Of Property		Revenues Revenues 77 47% 78 16%					79.07% 79.76%	1 550/ 1 550/						13.21% 13.26%	0.01% 0.01%							0.10% 0.10%		1.18% 1.18%	0.12% 0.12%		0.16% 0.16%	1.18% 1.12%	0.04% 0.03%	99.33% 100.00%
		<u>Change</u> R	26.36%	25.87%	26.08%	26.03%	27.23%	27 D1%	26.25%	25.67%	26.30%	26.32%	27.88%	26.56%	27.76%	27.04%	25.61%	26.30%	27.33%	25.35%	26.04%	27.20%	26.09%	26.19%	26.81%	26.32%	26.68%	19.96%	0.00%	26.98%
	Dolfar	Change 648.757	1,199	8,266	1,488	1,749	661,459	12 884	26.217	5,077	37.072	0.83	15,852	107,836	106	262	7,954	16,460	3,450	7,731	35,963	842	8,652	9,493	981	331	1,312	7,247		823,311
		69						69						€9	₩						G	69								us.
	Proposed	3,028,891	5,750	40,224	7,191	8,469	3,090,525	60.584	126 091	24.852	187 347	47,199	72,706	513,779	489	1,231	39,009	79,048	16,074	38,234	174,084	3,937	41,811	45,748	4,640	1,590	6,230	43,557	1,085	3,875,007
		€ 9	_	_	_	_		69						69	₩.					- 1	⇔	4	- 1	69	₩		69			rs.
	Present	2,380,134	4,550	31,958	5,704	6,720	2,429,066	47.700	99.874	19,775	144.375	37,364	56,854	405,943	383	696	31,055	62,589	12,624	30,503	138,122	3,095	33,159	36,254	3,659	1,258	4,917	36,310	1,085	3,051,697
		₩						ы						₩	69					ŀ	A	69		A	67		43			co.
	Clace	Residential	Residential	Residential	Residential	Residential	Subtotal	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Subtotal	School	School	School	School	School	School	Subtotal	Industrial	Industrial		Multi-family	Muft-family	Subtotal		Fire Lines up to 8 Inch	Total Revenues Before Annualization
	Meter	5/8X3/4 Inch	3/4 Inch	1 Inch	1 1/2 Inch	2 luch		5/8X3/4 Inch	1 Inch	1 1/2 Inch	2 Inch	3 Inch	4 Inch		5/8X3/4 Inch	1 1/2 Inch	2 Inch	3 inch	4 Inch	o Inch		5/8X3/4 Inch	Z Inch		5/8X3/4 Inch	1/2 Inch		6 Inch		otal Revenues E

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Revenue Summary With Annualized Revenues to Year End Number of Customers

Exhibit Settlement Schedule H-1 Page 2 Withess: Bourassa

:				ľ					Gallone to
Meter <u>Size</u> 5/8X3/4 Inch	Class Residential	,	Present Revenues	e G 551	Proposed Revenues	Dollar <u>Change</u>	Percent Change	Additional Bills	be Pumped (In 1,000's)
3/4 Inch	Residential	•	379	•	0,422 478	855	27.40%	169	1,015
1 Inch	Residential		1,062		1,333	271	25.51%	5	162
1/2 Inch 2 lash	Kesidential		į			•	0.00%	,	
5	residential		1		•	•	0.00%	•	•
	Sublotal	⊌>	6,325	€\$	8,033	1,708	27.00%	194	1,225
5/8X3/4 Inch	Commercial	•	YOY	e	909	707	300	!	
1 Inch	Commercial	•	404	9	970	<u> </u>	26.59%	12	119
1 1/2 Inch	Commercial		463		580	3 t	25.44%	-	9 !
2 Inch	Commercial		4		S 40	-	23.55%	3	~ ~
3 Inch	Commercial		16,050		20,265	4,216	26.27%	. 47	1 484
4 Inch	Commercial		•			•	0.00%		1
	Subtotal	છ	17,178	₩	21,685	4,508	26.24%	63	1,722
5/8X3/4 Inch	School	69	(15)	•	(19)	(4)	%V0 0	\$	Ś
1 1/2 Inch	School				· ,	Ē.	%00.0 %00.0	() ·	<u>(</u>
۔ ع	School		•		•	•	0.00%	ı	, ,
s inch	School		•		•	ı	0.00%	1	
A inch	School		ı		ı		0.00%	•	•
_	Subtotal	60	(15)	69	(19)		0.00%	,	Ó
		•	2	•		Ē	Z) :00 /a	Ê	<u> </u>
5/8X3/4 Inch 2 Inch	Industrial	s,	•	₩	,	1	0.00%	ı	
		↔		643			0.00%		. .
5/8X3/4 Inch	Multi-family	49	,	U	•		ò		
Ē	Multi-family	•	ı	•	•		%00.0 0.00%		٠.
	Subtotal	6/3	-	↔			0.00%		,
6 Inch	Bulk		3,597	₩	3.597	•	7,000		
	Fire Lines up to 8 Inch		(2)		(2)	,	0.00%	Ê	. ,
enue An	Total Revenue Annualization	¥.	27 004	Į.	9 070 00	0,00			

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Revenue Summary With Annualized Revenues to Year End Number of Customers

Exhibit Settlement Schedule H-1 Page 3 Witness: Bourassa

26.98% 99.33% 100.00% 22.94% 0 0 0 0 23.88% -1.87% -1.83%	98.35% 1	0.08% 0.02% 0.08% 0.02% 100.00% 126.50%
~	6	0.08%
22.94% 22.94% 33.88%	8 3	
. 4 . 4 . N	27.00	-62.25% 26.50%
823,311 6,216 (13,703)	815,823	(1,561)
A	\$	€53
33,310 33,310 (71,087)	3,837,2 <u>30</u>	3,886,431
9	s s	· ·
27,094 27,094 (57,384)	3,021,407	2,508 3,072,169
•	es es	69
	27,094 33,310 (57,384) (71,087)	3,021,407 \$ 3,837,230 \$ 3,821,407 \$ 3,837,230 \$

Exhibit Settlement Schedule H-2 Page 1 Witness: Bourassa

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division
Test Year Ended December 31, 2014
Customer Summary
at 9.5% WACC

•

			Average Number of						
			Customers		Average Bill	9	詞	Proposed increase	crease
			1 0	Average	Present	-	Proposed	Dollar	Percent
2		Meter Size, Class	12/31/2014	Consumption	Rates		Rates	Amount	Amount
-	5/8X3/4 Inch	Residential	6,101	6,829 \$		4	39.82	8.48	27.07%
7	3/4 Inch	Residential	6	4,459	36.71		46.27	9.56	26.03%
က	1 타	Residential	37	10,937	71.24		89.41	18.17	25.50%
₹	1 1/2 Inch	Residential	4	13,729	118.21		148.91	30.70	25.97%
2	2 Inch	Residential	ဗ	21,083	186.51		235.02	48.51	26.01%
6 1		Subtotal	6,155						
•									
∞ ⋅	5/8X3/4 Inch	Commercial	8	10,978 \$		19	56.55	11.83	26.46%
න :	1 Inch	Commercial	53	35,387	150.42		188.48	38.06	25.30%
우	1 1/2 Inch	Commercial	Ŧ	24,783	151.15		189.50	38.35	25.37%
Ξ	2 Inch	Commercial	34	69,216	329.94		411.76	81.81	24.80%
15	3 Inch	Commercial	თ	31,697	341.82		431.59	89.77	26.26%
13	4 Inch	Commercial	4	254,313	1,139.30		1,448.30	309.00	27.12%
4									
5 5 5		Subtotal	192						
11	5/8X3/4 Inch	School	2	440 \$	15.31	¥.	19.56	4 25	27 76%
8	1 1/2 Inch	School	-			•	102 59	21.84	27 04%
19	2 Inch	School	-	40 576	232.37		201.25	28 00	25.35%
20	3 hch	School		733,833	2 508 25		3 270 EE	30.30	25.55%
7	7	School	1 7	20,000	4,030.20		0,279.00	00.100	% 77.07
, 6	5 to	2000	- •	742,167	1,042.07		1,324.86	282.80	27.14%
77	3	90100		104,167	7,519.44		3,153.13	633.69	25.15%
8 8		Subtotal	2						
, ,			,						
52	5/8X3/4 Inch	Industrial	တ	5,065		4	33.35	7.26	27.85%
56	2 Inch	Industrial	4	169,708	679.24		854.04	174.80	25.73%
23		Subtotal	13						
g S	5/8X3/4 Inch	Malli-family	^			•	1		
3 6	4.5 1.5	Manu-lanning		876'01		A	X	11.32	26.45%
3 5	15 I Z/I	Munti-family Subfotal	- &	9,250	104.87		132.47	27.60	26.32%
32			•						
33	6 Inch	Bulk	-	517,083	3,025.83		3,629.71	603.89	19.96%
স্ত্র :		Fire Lines up to 8 Inch	18	(А		•>	5.00	1	0.00%
S &									
34		Total	6.404						
38									
38	(a) Average n	(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year	nan one (1), indicates t	hat less than 12 bi	ills were issue	<u> </u>	ring the year		
4									

⁽a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Customer Summary

Exhibit Settlement Schedule H-2 Page 2 Witness: Bourassa

	Proposed In	Dollar	∢ I	77'	0.44	14.75	28.12	194.32 40.84 26.61%			5.30	15.44	30.89		377.62 79.60 26.71%	1,190.17 257.47 27.60%			18 77 4 60 4 62 1987	2, 50	20.07	20.00	282.53	A77 B1	5		25.77 5.84 29.28%	104.24	! !	44 13 0 30 28 60%	c	90.77	3 208 68 535 34 20 020	-	
	adian		9	20.03	2.5	56,53	107.10	53.48			18.44 \$	59.51	119.02	156.46	298.02	932.70			14 60 €		185.44	514.63	25	•			19.93 \$	5.02		34.83 \$		3		↔	
		Present		>				_		•	æ					86			*			•	1 041 51	2 684 66	ì		€9			es.	•	2	2 673 37	φ.	
		Median	Consumption 5 000	000.0	000	000'0	10,000	10,000		0	2,000	000'	14,000	11,000	17,000	190,000			200	2.000	41.364	1 881 000	242 000	654 000			7,333	262,000		8.000	8 500	G G	443,500	'	
(a) Average Number of	Customers	41001101	6 101	, ¢	2 5	ò `	4	8	6,155	č	<u>.</u>	3;	= ;	3	on.	4	100	761	^	٠-	Ξ	. ^	-	-	18		တ	4	13	7	-	80	*	18	6,404
		Motor Size Class	Residential	Residential	Doologia		residential	Kesidential	Subtola	Commorgial	Commencial	Collinercial	Commercial	Commercial	Commercial	Commercial	Subtotal		School	School	School	School	School	School	Subtotal		Industrial	Industrial	Sublotal	Multi-family	Multi-family	Subtotal	Bulk	Fire Lines up to 8 Inch	Total
		Ň	5/8X3/4 Inch	3/4 Inch		1 10 loch	1 1/2 HIGH	z inch		5/8Y3/A Inch	1 Inch	1 1 10 last	1 1/2 HGB	7 HIGH	3 Inch	4 Inch			5/8X3/4 Inch	1 1/2 Inch	2 Inch	3 Inch	4 Inch	6 Inch			5/8X3/4 Inch	2 Inch		5/8X3/4 Inch	1 1/2 Inch		6 Inch		
	9	ź	- E		l (**				0 1	- α	, ,	, Ç	2 :		<u>N</u> 9	23	<u> </u>	9	17	18	윤	20	7	22	23	24			27	8	90	32		¥ % %	38

⁽a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Present and Proposed Rates

Settlement Schedule H-3 Page 1 Witness: Bourassa

Line	:	Present	g. 6	Proposed	Č	,	Percent	
일-	Montrnly Usage Charge for: Meter Size (All Classes):	salevi	2	CAIRS				
- 17	5/8 Inch	\$ 15.46	•	19.70	6	4.24	27.43%	
N	3/4 Inch	23.19		29.55		6.36	27.43%	
ю	1 Inch	38.65		49.25		10.60	27.43%	
4	1 1/2 Inch	77.30		98.50		21.20	27.43%	
70	2 Inch	123.68		157.60		33.92	27.43%	
9	3 inch	247.36		315.20		67.84	27.43%	
7	4 inch	366.50		492.50	-	126.00	34.38%	
60	6 Inch	773.00		985.00	. •	212.00	27.43%	
œ	8 Inch	1,238.80		1,576.00	,	339.20	27.43%	
우	10 Inch	1,777.90		2,265.50	•	487.60	27.43%	
Ħ	12 Inch	3,323.90		4,235.50	<i>-</i>	911.60	27.43%	
12	Moriningstar Ranch	549.00		671.00	-	122.00	22.22%	
13								
4								
15								
9	Fire Lines Up to 8 Inch (R-14-2-408.B)	Per Rule*		Per Rule*				
11	Fire Lines 10 Inch (R-14-2-408.B)	Per Rute"		Per Rule"				
18	Fire Lines 12 Inch (R-14-2-408.B)	Per Rule*		Per Rule*				
19								
8	* Per Rule - A.A.C. R-14-2-408.B. 1 percent of monthly minimum for a comparable size meter, but no less than that	eter, but no less than th	ㅂ					
7	\$5.00 per month. The service charge for fire sprinklers is only applicable for service fine							
55	separate and distinct from the primary water service line.							
ន								
54	Gattons In Minimum (All Classes)	•						
52				1				
8				(Per 1,000 gallons)	gallons)			
27	Commodity Rates		ā	Present	Proposed	sed		
28	(All Classes) Block		_	Rate	Rate(1)	T		
8								
8	5/8 Inch 0 gallons to 3,000 gallons	allons	₩	1.49	₩	2.02		
3	over 3,000 gallons to 9,000 gallons	to 9,000 gallons	₩	2.98	69	3.67		
35	over 9,000 gallons		₩	3.49	67	4.42		
8								
স্ত :			6	Č		196		
ရှ	3/4 Inch Meter	Jailons	~ (2.88	<i>p</i> . (3.07		
ဗ္ဗ	over 4,000 gallons		19	9.4. 9.4.	₩	4.42		
કે લે								
Ş					1		1	
39	Low Income Tariff - A 15% discount is available on monthly minimum and commodity charges to quainted residential customers meeting	and commodity on	arges k	o qualitied r	asidenti:	el customers	meeting	
9	the low income qualifications.					,		
4 ;	* A 5 % discount is applicable to the public schools operated by the Santa Cruz County School District No. 35 receiving water and/or wastewater	ota Cruz County Sc	<u> </u>	strict No. 35	receivin	g water and/	or wastewater	
5 5	utility services from the Company							
? ?	Strop CN 1 FN							
;							=	

¹ Low Income Tariff - A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting

the low income qualifications.

A 5 % discount is applicable to the public schools operated by the Santa Cruz County School District No. 35 receiving water and/or wastewater utility services from the Company

NT = No Tariff

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Test Year Ended December 31, 2014 Present and Proposed Rates

Settlement Schedule H-3 Page 2 Witness: Bourassa

9 2.1	3.67 4.42	3.67	4.42	3.67	4.42	3.67	74.1	3.67	4.42	3.67	4.42	3.67	4.42	3.67	4.42	3.67	4.42	5.72		customers m	water and/or		
gallons) Proposed Rates ^{1,2}	w w	₩	65	₩ 6	.		•	4	₩.	₩	so.	\$ 9	₩	€9	69	€	₩	₩		sidential	receiving		
(Per 1,000 gallons) Present Propx Rates ^{1,2} Rate	3.49	2.98	3.49	2.98	3.49	3.98		2.98	3.49	2.98	3.49	2.98	3.49	2.98	3.49	2.98	3.49	4.79		o qualified re	strict No. 35		
	w w	w	49	6 7 1	e (A 49	•	ss ·	69	69	€5	₩	49	₩.	€	17	69	65		charges to	School Dig		
Block	o gallons to 23,000 gallons over 23,000 gallons	0 gallons to 45,000 gailons	over 45,000 gallons	0 gallons to72,000 gallons	over 12,000 gainers	o gairons to 144,000 gailons over 144,000 gallons		0 gallons to 225,000 gallons	over 225,000 gallons	0 gallons to 450,000 gallons	over 450,000 galions	0 gallons to 720,000 gallons	over 720,000 gallons	0 gallons to 1,025,000 gallons	over 1,025,000 gallons	0 gallons to 1,025,000 gallons	over 1,025,000 gallons	All gallons		le on monthly minimum and commodity	ols operated by the Santa Cruz County		
Commodity Rates (All Classes)	Wales	1.5 Inch Meter		2 Inch Meter	3 Inch Mater			4 Inch Meter		6 Inch Meter		8 Inch Meter		10 Inch Meter		12 Inch Meter		Morningstar Ranch Community Association		¹ Low Income Tariff - A 15% discount is available on monthly minimum and commodity charges to qualified residential customers me the low income qualifications.	⁴ A 5 % discount is applicable to the public schools operated by the Santa Cruz County School District No. 35 receiving water and/or utility services from the Company	NT = No Tariff	
- 0 6 7	, ro a	. .	യമ	e :	2 4	T	2	9 1	- 8	13	2 2	22	8 2	25	2 28	88	3 R	31	388	35	37 38	3 4 5	

Low Income Tariff - A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting

the low income qualifications.

A 5 % discount is applicable to the public schools operated by the Santa Cruz County School District No. 35 receiving water and/or wastewater utility services from the Company

NT = No Tariff

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division Changes in Representative Rate Schedules

Test Year Ended December 31, 2014

Exhibit Settlement Schedule H-3 Page 3

Witness: Bourassa

Line <u>No.</u> 1 2	Other Service Charges Establishment		esent tates 15.00	\$	Proposed Rates 25.00
3	Reestablishment (within 12 months)		(a)		(a)
4	Reconnection (Delinquent)	\$	15.00	\$	30.0
5	(Company	•		•	00.0
6	Meter test (If Correct)	\$	15.00	\$	30.00
7	Meter Reread (if Correct)	\$	20.00	\$	20.00
8	Deposit		(c)		(c)
9	Deposit Interest		(c)		6%(c)
10	NSF Check	\$	15.00	\$	10.00
11	Late Payment Penalty	1.5% բ	er month	1.5%	6 per month
12	Deferred Payment (R-01-2-409.G)	1.5% բ	er month	1.5%	6 per month
13	Moving meter at customer request (R-14-2-405.B)	at	Cost		at Cost
14 15	After Hours Service Call Charge (d)	\$	50.00	\$	50.00

(a) Per Commission Rule A.A.C. R14-2-403(D) - residential and non-residential shall pay the
 applicable monthly minimum charge times the number of months disconnected.

18 (b) Intentinally left blank.

- 19 (c) Per Commission Rule A.A.C. R14-2-403(B).
- 20 (d) At customer's request. No charge for service during normal working hours.

28
29 IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM
30 ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE
31 TAX. PER COMMISSION RULE 14-2-409D(5).

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Water Division

Test Year Ended December 31, 2014 Meter and Service Line Charges Exhibit Settlement Schedule H-3 Page 4

Witness: Bourassa

Line
No.
1

2 Refundable Meter and Service Line Charges

3	
4	
E	

4			Present			Proposed	
5		Present	Meter		Proposed	Meter	
6		Service	Install-	Total	Service	Install-	Total
7		Line	ation	Present	Line	ation	Proposed
8		<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	Charge	Charge
9	5/8 x 3/4 Inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
10	3/4 inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
11	1 Inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
12	1 1/2 inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
13	2 Inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
14	3 Inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
15	4 Inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
16	6 inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
17	8 Inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
18	10 Inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
19	12 Inch	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division
Test Year Ended December 31, 2014
Computation of Increase in Gross Revenue Requirements As Adjusted

Exhibit Settlement Schedule A-1 Page 1 Witness: Bourassa

No.									
1	Fair Value Rate	e Base					\$	5,279,632	
2 3	Adjusted Opera	etina Income					\$	307,508	
4	Aujusteu Opera	ating moone					Ψ	307,308	
5	Current Rate of	f Return						5.82%	
6									
7	Required Opera	ating Income					\$	407,613	
8 9	Required Rate	of Return on Fair Value Rate Base						7.72%	
10	110401120 11210							7.1270	
11	Operating Incom	me Deficiency					\$	100,105	
12									
13	Gross Revenue	Conversion Factor						1.6210	
14 15	Increase in Gro	es Pavenue							
16	Requirement	33 Nevenue					\$	162,266	
17	11-4-11-111						•	102,200	
18	Adjusted Test \						\$	1,478,323	
19		ss Revenue Revenue Requirement					\$	162,266	
20		enue Requirement					\$	1,640,590	
21 22	% Increase							10.98%	
23	Customer			Present	ı	Proposed		Dollar	Percent
24	Classification			Rates		Rates		increase	Increase
25	5/8X3/4 Inch	Residential	\$	1,112,104	\$	1,195,512	\$	83,408	7.50%
26	3/4 Inch	Residential	•	4,916	•	5,284	_	369	7.50%
27	1 Inch	Residential		8,085		8,691		606	7.50%
28		Subtotal	\$	1,125,104	\$	1,209,487	\$	84,383	7.50%
29			_						
30	5/8X3/4 Inch	Commercial	\$	47,024	\$	54,511	\$	7,487	15.92%
31 32	1 inch	Commercial		54,875		64,256		9,381	17.10%
32 33	1 1/2 inch 2 inch	Commercial		18,582		22,437		3,855	20.75%
34	3 Inch	Commercial Commercial		56,017 7,306		66,870		10,853	19.37%
35	4 Inch	Commercial		63,195		8,243 83,173		937	12.83%
36	7 111011	Subtotal	-\$	246,999	····	299,491	•	19,979 52,492	31.61% 21.25%
37		Captotal	•	240,935	Ψ	233,451	4	32,432	21.2076
38	5/8X3/4 Inch	Commercial (SCUSD)	\$	1,164	\$	1,251	\$	87	7.50%
39	2 Inch	Commercial (SCUSD)		37,639		46,484		8,845	23.50%
40	4 Inch	Commercial (SCUSD)		10,668		13,289		2,621	24.57%
41	6 Inch	Commercial (SCUSD)		41,955		54,632		12,677	30.22%
42		Subtotal	\$	91,426	\$	115,656		24,231	26.50%
43	# IOVIO / 4 1 1 1	3.8 m. i	_						
44 45	5/8X3/4 Inch	Multi-tenant	\$	4,763	\$	5,466	\$	703	14.76%
45 46	1 1/2 Inch	Multi-tenant Subtotal		1,389 6,152	\$	1,539 7,005		150 853	10.83%
47		Subtotal	J	6, 152	Ð	7,005		623	13.87%
48	Revenue Annua	alization	\$	784	\$	897		113	14.42%
49	Subtotal		\$	1,470,465	\$	1,632,536	\$	162,072	11.02%
50									
51	Other Water Re			7,468		7,468		-	0.00%
52	Reconciling Am	ount		390		584		194	49.74%
53	Rounding	Davanusa	- -	4 470 000	_	4 645 555		100.000	0.00%
54 55	Total of Water	Leasure:	\$	1,478,323	*	1,640,589	\$	162,266	10.98%
55 56									
57	SUPPORTING	SCHED! II ES:							

SUPPORTING SCHEDULES: B-1

57 58

Line No.

59 C-1

60 C-3

H-1 61

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Summary of Rate Base

Exhibit

Settlement Schedule B-1

Page 1

Witness: Bourassa

Line <u>No.</u> 1			riginal Cost Rate base		Fair Value Rate Base
2	Gross Utility Plant in Service	\$	14,171,387	\$	14,171,387
3	Less: Accumulated Depreciation	•	5,908,976	•	5,908,976
4	·				
5	Net Utility Plant in Service	\$	8,262,411	\$	8,262,411
6					•
7	Less:				
8	Advances in Aid of Construction		529,379		529,379
9					
10	Contributions in Aid of Construction		5,112,247		5,112,247
11					
12	Accumulated Amortization of CIAC		(2,943,275)		(2,943,275)
13	01				
14	Customer Meter Deposits		-		-
15	Customer Security Deposits		·		-
16	Accumulated Deferred Income Tax		276,483		276,483
17					
18	Dive				
19 20	Plus: Unamortized Finance				
21					
22	Charges Prepayments		740		-
23			743		743
24	Materials and Supplies Cash Working capital		- (0.000)		- (0.000)
25	Cash Working Capital		(8,688)		(8,688)
26	Total Rate Base	-\$	5,279,632	\$	5,279,632
27					5,2,5,552
28					

SUPPORTING SCHEDULES: B-2

41 <u>SUP</u> 42 B-2 43 B-3 44 B-5

E-1

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014

Original Cost Rate Base Proforma Adjustments

Exhibit

Settlement Schedule B-2

Page 1

Witness: Bourassa

Line No.	Gross Utility		Adjusted at end of Test Year	Proforma Adjustment		Settlement Adjusted at end of Test Year
1 2	Plant in Service	œ	44 600 6E4	/40E 000\	•	44474007
3	Flame III Service	\$	14,636,654	(465,266)	\$	14,171,387
4	Less:					
5	Accumulated					
6	Depreciation		5,901,325	7,651		5,908,976
7			0,001,020	1,001		3,900,910
8			· · · · · · · · · · · · · · · · · · ·			
9	Net Utility Plant					
10	in Service	\$	8,735,329		\$	8,262,411
11					•	-,,
12	Less:					
13	Advances in Aid of					
14	Construction		529,379	-		529,379
15						
16	Contributions in Aid of					
17	Construction - Gross		5,112,247	-		5,112,247
18	Assumed to be discussed and the state of the					
19 20	Accumulated Amortization of CIAC		(2,935,215)	(8,060)		(2,943,275)
21	Customer Motor Deparits					
22	Customer Meter Deposits Customer Security Deposits		-			-
23	Accumulated Deferred Income Tax		- 693.450	(400,007)		-
24	Accomplished Described Meditie 18X		683,150	(406,667)		276,483
25						-
26						-
27	Plus:					
28	Unamortized Finance					
29	Charges		_			_
30	Prepayments		743			743
31	Materials and Supplies		-			-
32	Working capital		11,300	(19,989)		(8,688)
33				,		-
34						
35	Total	\$	5,357,811		\$	5,279,632
36						
37						
38						
39 40						
41						
42						
43						
44						
45						
46	SUPPORTING SCHEDULES:			REC	AP SOL	HEDULES:
47	B-2, pages 2			<u>NEX</u> B-1	<u> </u>	ILDULLO.
48	F-1			٥,		

48

49 50 51

E-1

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments

	Liberty Utilities (f Te Original	tio Rico Water st Year Ended D Cost Rate Base	Liberty Utilities (Rio Rico Water & Sewer) Corp Sewer Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments	iwer Division nis			шос>	Exhibit Settlement Schedule B-2 Page 2 Witness: Bourassa
	Adjusted al end	ΨI	M	Proforma Adiustments	iustments 4	ЮI	G 6 Bsh	Settlement Adjusted at end
Grose Hilliv	of <u>Test Year</u>	Plant-in- Service	Accumulated <u>Depreciation</u>	CIAC	AIAC	ADIT	Working <u>Capital</u>	of Test Year
Plant in Service	\$ 14,636,654	(465,266)						\$ 14,171,387
Less: Accumulated Depreciation	5,901,325		7,651					5,908,976
Net Utility Plant in Service	\$ 8,735,329	\$ (465,266) \$	\$ (7,651) \$		· ·	<i></i>		\$ 8,262,411
Less: Advances in Aid of Construction	529,379				ı			529,379
Contributions in Aid of Construction (CIAC)	5,112,247							5,112,247
Accumulated Amort of CIAC	(2,935,215)			(8,060)				(2,943,275)
Customer Meter Deposits Customer Security Deposits Accumulated Deferred Income Taxes	683,150					(406,867)		276,483
Ptus: Unamortized Finance Charges Prepayments Materials and Supplies Allowance for Cash Working Capital	743 - 11,300						(19,989)	743 743
Total	\$ 5,357,811	\$ (465,266) \$	\$ (7,651) \$	\$ 090'8	•	406,667 \$	(19,989)	\$ 5,279,632
SUPPORTING SCHEDULES. B-2. pages 3-7 E-1					⊠	RECAP SCHEDULES: B-1	-4	

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Liberty Utilides (Ric Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforme Adjustments Adjustment Number 1

Exhibit Settlement Schedule B-2 Page 3 Wilness: Bourassa

Line			Plant-in-Service	. <u>8</u>							
원-				٨	α	c	Adjustments		ı		
CH C				1	oi	ĸ	וב	ᆅ	ш	ଔ	Cottleman
າ ຈ	Acre		Adjusted	ä		i	Intentionally	Intentionally		Adjustments	Adjusted
ĸ	2	Description	S S S S S S S S S S S S S S S S S S S		Unsupponed Plant	Tring-lin		Les Project	Corporate	to Reconcile	Original
9 01	5		••			25 SK		Odella		Plant to Reconstruction	188
~ 5	351		5,785	ı	•					• ,	5 785
9 07	353		417	1	•	•					417
유	354		7,343 487,891	(180 417)	.44.2601					4	7,545
Ξ	355			(i t '60;)	(806,41)	47,733				•	331,839
7 ;	360		636,023	1	•	. (•	
E :	361		6,699,939	•	•	824				()	6 200,023
4 1	362	Special Collecting Structures	, 600 4		•	1				•	201,001,0
.	364		1,286,513		•	850				,	1,287,363
7	366		514.2	• •	•					•	65,412
8	367				, ,					r	•
6	370		867,120							•	1 1
2	371		751,817	(304,005)	,	19,464				•	867,120
Z 8	374		•	•		•					46/.2/6
3 5	3/2	_ :	1 6	•	ı	,					
74	38.	Diest Courses	982,394		•	ı				•	982.394
22	382		15,362	1		•					15,362
56	389		63.376	(R 205)		•				•	•
27	380		142,738	(32,020)	(2.147)	2 147					57,171
8	390.1		4,025	32,020	Į	î				•	110,718
2 2	391		117	6,205	•					. 1	35,U43
3 %	30.5	Cooles Equipment		ì	•	•				1	770'0
32	36		19,957			434				1	20,391
8	395	_	20,00	4	1	(2,212)				ı	3,940
34	396	Communication Equip	6,057	•	' '	v (•	29,949
35	397	Miscellaneous Equip.	•	•		<u> </u>				•	6,055
36	398		3,913	•		•				. ,	3 043
7 6	5	NOTION AVAILED TO THE PROPERTY OF THE PROPERTY	2,431,717		٠					•	2.431.717
8 8		30B101AL	14,514,216	(493,422)	(16,516)	69,241	-		,		14,073,520
40	903	Land and Land Rights	5,880						,		•
4	904	Structures and Improvments	63,809						(1,633)		4.247
4 5	8 5		6,939						(496)		46,119
	940.1		45,811						(4 752)		244,0
\$ 4		SUBTOTAL	122,438						(24,570)		97 868
5.4			\$ 14,636,654 \$	(493,422) \$	(16,516) \$	69,241 \$	•		\$ (24,570)	\$	14,171,387
4	Plant-in	Plant-in-Service per Books								•	
4 4 8 0	Increase	ncrease (decrease) in Plantic Service								^	14,636,654
S										•	(465,286)
<u>د</u> د	Adjustn	Adjustment to Plant-in-Service								46	(465 246)
	SUPPO	SUPPORTING SCHEDULES				Č		ė			
3 5	B-2, pag	B-2, pages 3.1 to 3.7				48	B-2, page 2	'ci			
}											

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division

Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - A

Exhibit Settlement Schedule B-2 Page 3.1 Witness: Bourassa

Line								
No.								
1	Plant Re	ecl <u>ass</u>						
2								
3								
4	Acct.							
5	<u>No.</u>	<u>Description</u>	2012		2013	<u>2014</u>	PTY	Total
6	351	Organization	\$ -	\$		\$ -		\$ -
7	352	Franchise			-	•		-
8	353	Land			-	-		-
9	354	Structures & Improvements			-	-	(189,417)	(189,417)
10	355	Power Generation			_	_	-	
11	360	Collection Sewer Forced			-	-	_	-
12	361	Collection Sewers Gravity			-	-	-	-
13	362	Special Collecting Structures			-	-	-	-
14	363	Customer Services			-	-	-	
15	364	Flow Measuring Devices			-	-	-	-
16	366	Reuse Services			-	-	-	-
17	367	Reuse Meters And Installation			-	•	-	
18	370	Receiving Wells			-	-	-	•
19	371	Pumping Equipment			*	•	(304,005)	(304,005)
20	374	Reuse Distribution Reservoirs			-	-	-	_
21	375	Reuse Trans, and Dist, System			-	-	-	-
22	380	Treatment & Disposal Equipment			-	-	-	-
23	381	Plant Sewers			-	-	-	-
24	382	Outfall Sewer Lines			-	_	-	•
25	389	Other Sewer Plant & Equipment			-	(6,205)	-	(6,205)
26	390	Office Furniture & Equipment			(32,020)		-	(32,020)
27	390.1				32,020	-	_	32,020
28	391	Transportation Equipment			_	6,205	-	6,205
29	392	Stores Equipment			-	-	-	•
30	393	Tools, Shop And Garage Equip			-	-	•	•
31	394	Laboratory Equip			-	-	-	-
32	395	Power Operated Equip			-	-	•	-
33	396	Communication Equip			-	-	•	-
34	397	Miscellaneous			-	-	•	-
35	398	Other Tangible Plant			-	-	-	-
36	398.1	Nogales WWTP			-	-	-	
37		-						
38								
39								
40		Plant Held for Future Use						
41		TOTALS	\$. \$	-	\$ - 9	(493,422)	\$ (493,422)
42		•						
43								
44	CHIDDO	DTING COUCDING						

44 SUPPORTING SCHEDULE

45 Testimony

46 Work papers

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division
Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - B

46 Work papers

Exhibit Settlement Schedule B-2 Page 3.2 Witness: Bourassa

B-2, page 3

Line <u>No.</u> 1 2	Unsupp	orted Plant							
3									
4	Acct.								
5	<u>No.</u>	<u>Description</u>	<u>2012</u>		<u> 2013</u>		<u> 2014</u>		Total
6	351	Organization	\$ -	\$	-	\$	-	\$	-
7	352	Franchise							-
8	353	Land							-
9	354	Structures & Improvements					(14,369)		(14,369)
10	355	Power Generation							-
11	360	Collection Sewer Forced							-
12	361	Collection Sewers Gravity							-
13	362	Special Collecting Structures							-
14	363	Customer Services							-
15	364	Flow Measuring Devices							-
16	366	Reuse Services							-
17	367	Reuse Meters And Installation							-
18	370	Receiving Wells							-
19	371	Pumping Equipment							-
20	374	Reuse Distribution Reservoirs							-
21	375	Reuse Trans. and Dist. System							-
22	380	Treatment & Disposal Equipment							-
23	381	Plant Sewers							-
24	382	Outfall Sewer Lines							-
25	389	Other Sewer Plant & Equipment							-
26	390	Office Furniture & Equipment					(2,147)		(2,147)
27	390.1	•							-
28	391	Transportation Equipment							-
29	392	Stores Equipment							-
30	393	Tools, Shop And Garage Equip							-
31	394	Laboratory Equip							-
32	395	Power Operated Equip							-
33	396	Communication Equip							-
34	397	Miscelaneous Equip							-
35 36	398	Other Tangible Plant							-
37	390.1	Nogales WWTP							
37 38									
39 40		Plant Held for Future Use							
41		TOTALS	\$ -	\$		\$	(16 E16)		(40.540)
42		IOIALO	Ψ -	ų.	-	Þ	(16,516)	<u>\$</u>	(16,516)
42 43									
43 44	SHEE	RTING SCHEDULE							
45	Testimo						DECAD	COLEDIN FO	
46	Work no	-					RECAP R 2 nov	SCHEDULES:	

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division
Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - C

Exhibit Settlement Schedule B-2 Page 3.3 Witness: Bourassa

Line										
No.										
1	Plant T	rue-Up								
2										
3										
4	Acct.									
5	<u>No.</u>	Description	2	012		2013		2014	PTY	Takat
6	351	Organization	s =	<u>U 12</u>	\$	2013	\$	2014	PIT	<u>Total</u>
7	352	Franchise	Ψ	-	Ψ	-	J	-	-	\$ -
8	353	Land						-	•	-
9	354	Structures & Improvements						-	47 722	47 700
10	355	Power Generation						-	47,733	47,733
11	360	Collection Sewer Forced						-	-	-
12	361	Collection Sewers Gravity						-	-	-
13	362	Special Collecting Structures						824	-	824
14	363	Customer Services						-	-	-
15	364	Flow Measuring Devices						-	850	850
16	366	Reuse Services						-	-	-
17	367	Reuse Meters And Installation						-	•	-
18	370	Receiving Wells						-	-	-
19	371							-	-	-
20	374	Pumping Equipment						-	19,464	19,464
21	375	Reuse Distribution Reservoirs						-	-	=
22	380	Reuse Trans. and Dist. System						-	-	-
23	•	Treatment & Disposal Equipment						-	-	-
	381	Plant Sewers						-	-	-
24	382	Outfall Sewer Lines						•	-	-
25	389	Other Sewer Plant & Equipment						-	-	-
26	390	Office Furniture & Equipment						2,147	-	2,147
27	390.1	Computers and Software						-		-
28	391	Transportation Equipment						-	-	-
29	392	Stores Equipment						-	-	-
30	393	Tools, Shop And Garage Equip						65	370	434
31	394	Laboratory Equip						(2,212)	-	(2,212)
32	395	Power Operated Equip						2	-	2
33	396	Communication Equip						(2)	-	(2)
34	397	Miscellaneous Equip						•	-	- '
35	398	Other Tangible Plant						-	-	-
36	398.1	Nogales WWTP						-	-	-
37										
38										
39										
40		Plant Held for Future Use								
41		TOTALS	\$	-	\$	-	\$	824 \$	68,417	\$ 69,241
42		•				· · · · · · · · · · · · · · · · · · ·				
43										

44 SUPPORTING SCHEDULE

45 Testimony

46 Work papers

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1 - D

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Exhibit Settlement Schedule B-2 Page 3.4 Witness: Bourassa

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014

Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - E

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Exhibit Settlement Schedule B-2 Page 3.5 Witness: Bourassa

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1 - F

48 Testimony

Exhibit Settlement Schedule B-2 Page 3.6 Witness: Bourassa

Line <u>No.</u>								
1	Corpora	te Plant Allocation						
2 3			[1]	[2] Liberty	[3] Rio Rico	[4] = [1]x[2]x[3] Allocated	Direct	
4	Acct.	Dan admition	Orginal	Utilities	Sewer	Orginal	Orginal	increase
5 6	<u>No.</u> 903	Description Land and Land Rights	<u>Cost</u> 1,312,818	Factor 12.94%	Factor 2.50%	<u>Cost</u> 4,247	<u>Cost</u> 5,880	(Decrease) (1,633)
7	904	Structures and Improvments	11,123,684	12.94%	2.50%	35,985	52,894	(16,909)
8 9	940.1	Computers and Software	2,187,630	12.94%	2.50%	7,077	9,212	(2,135)
10								
11	LU Sub	-Corp. Plant						
12 13	903	Land and Land Rights	_		2.50%			•
14	904	Structures and Improvments	405,370		2.50%	- 10,134	10,915	- (780)
15 16	940	Office Furniture and Equipment	257,704		2.50%	6,443	6,939	(496)
17	940.1	Computers and Software	1,359,281		2.50%	33,982	36,599	(2,617)
18								
19 20								
21								
22								
23 24								
25								
26 27								
28								
29								
30 31								
32								
33 34								
35								
36								
37 38								
39								
40 41								
42		Plant Held for Future Use						
43		TOTALS	\$ 16,646,487		-	\$ 97,868		
44 45								
46		RTING SCHEDULE		R	ECAP SCHE	DULES:		
47 48	Work pay Testimor	pers			-2, page 3			

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments

Adjustment Number 1 - G

Exhibit Settlement Schedule B-2 Page 3.7 Witness: Bourassa

Line												
<u>No.</u>												
1	Recond	iliation of Plant to Plant Reconstruc	ction									
2												
3								djusted	1	Plant		
4	Acct.			Orginal	B-2		C	Orginal		Per		
5	No.	<u>Description</u>		<u>Cost</u>	<u>Adjustmen</u>			Cost	Reco	nstruction	Differ	ence
6	101	Plant-in-Service	\$	-	\$	- \$		-	\$	-	\$	-
7	351	Organization		5,785		-				5,785		
8	352	Franchise		417		-		417		417		-
9	353	Land		7,545		-		7,545		7,545		-
10	354	Structures & Improvements		487,891	(156,	052)		331,839		331,839		-
11	355	Power Generation				-		-		•		-
12	360	Collection Sewer Forced		636,023		-		636,023		636,023		-
13	361	Collection Sewers Gravity		6,699,939		824		6,700,763	6	3,700,763		-
14	362	Special Collecting Structures		-		-		-		•		-
15	363	Customer Services		1,286,513	;	850		1,287,363	1	,287,363		-
16	364	Flow Measuring Devices		65,412		-		65,412		65,412		-
17	366	Reuse Services		-		-		-		-		-
18	367	Reuse Meters And Installation		·		-		-		-		-
19	370	Receiving Wells		867,120		•		867,120		867,120		-
20	371	Pumping Equipment		751,817	(284,	540)		467,276		467,276		-
21	374	Reuse Distribution Reservoirs		-		-		-		-		-
22	375	Reuse Trans. and Dist. System				-		-		-		-
23	380	Treatment & Disposal Equipment		982,394		-		982,394		982,394		-
24	381	Plant Sewers		15,362		-		15,362		15,362		-
25	382	Outfall Sewer Lines				-		-		-		-
26	389	Other Sewer Plant & Equipment		63,376	•	205)		57,171		57,171		•
27	390	Office Furniture & Equipment		142,738	(32,0			110,718		110,718		-
28	390.1	Computers and Software		4,025	32,0			36,045		36,045		-
29	391	Transportation Equipment		117	6,2	205		6,322		6,322		-
30	392	Stores Equipment		-		-				-		-
31	393	Tools, Shop And Garage Equip		19,957		434		20,391		20,391		-
32	394	Laboratory Equip		6,152	{2,2	212)		3,940		3,940		-
33	395	Power Operated Equipment		29,947		2		29,949		29,949		-
34	396	Communication Equip		6,057		(2)		6,055		6,055		-
35	397	Miscellaenous Equip.		-		-		-		-		-
36 37	398	Other Tangible Plant		3,913		-		3,913		3,913		-
38	398.1	Nogales WWTP		2,431,717		-		2,431,717	2	,431,717		•
39												
40												
41												
42												
42		TOTALS	•	44.544.545	B (445.5			4 000 000				-
43		TOTALS	\$	14,514,216	3 (440,6	396) \$	1	4,067,735	\$ 14	,073,520	\$	-
44 45												
45 46	SHIPPOR	RTING SCHEDULE							DE 4 · ·			
47		es 3.1 through 3.7								SCHEDU	LES:	
48		es 3.8 through 3.10							B-2, pa	ige 3		
	, pug											

MATCH MATCH Match Matc					Per Decision												
Accordance Acc			0	Allowed		Actium	Plant		Affiliate Design		Additional	100					
18 Opportune of Control 18 18 18 18 18 18 18 1	Š		E	Depres	Plant at	Decree At	Additions	240		ć	Describe		Agusted	,	10 Months		
3.5 Composition from the control of the con	Ž		Description	Rate	2/28/2012	2/29/2012	(Per Books)	Advatments		Adjustments	Additions	(Par Books)	Rathements	Aro dry	Celculated	Plent Defence	Accum.
State Comparing the properties Comparing t	-	35	Organization	*000	A 785		,										
State Comparison of Comparison Comparison of Comparison Comparison of Comparison Comparison of Comparison Comp	~	352	Franchise	*000	2.5		•	•			•	•	•		•	5,785	,
3.55 Promot Communication 3.325 Promot Communication 3.325 Promot Communication 1.90 Page (1990) (1991) (1994) (110) 1.916 3.55 Promot Communication 2.00 6.90 E22 1.90 2.90 4.97 224 (127) 4.07 550 4.97 550 3.55 Considerate Contenting Sensition 2.00 1.204 13 6.90 E27 2.90 4.07 724 (127) 4.07 550 4.07 550 3.55 Considerate Contenting Sensition 2.00 1.204 13 6.90 E27 2.90 17 4.07 724 (127) 4.07 550 4.07 550 3.55 Considerate Sensition 2.00 6.00 E27 2.90 17 6.00 E27 1.90 17 1.	•	8	Land	%000	7 545	. ,	•	•			•	•			•	417	
355 Condiction Several County 2.00% 6.90.022 1,90 10.518 1,10 10.518 1,50	4	8	Structures & Improvements	3.33%	150 061	28 911	1007					•	•		•	7.545	•
390 Confection Sewer Greek 2004s 6,912.29 1,910 7,774 (122) 407,550 39. Confection Sewer Greek 2004s 6,991.28 2,991.28 2,991.28 2,991.28 2,991.29 407,724 (122) 407,550 39. Contents Calcium Structures 2,000s 6,241.18 9,91.28 2,901.2 7,741 1,727 407,550 7,777 1,771 <	ß	355	Power Generation	5.00%	•		2	•	(611)	ı	918,91	•	•	•	4,321	161,110	33,232
25 Special Chemics Standards 2 Ords 2,591,228 2,586,722 2,586,723 2,586,723 2,586,723 2,586,723 2,587 2,517 10 26 Special Chemics Standards 2 Ords 2,524,723 2,524,723 2,524,723 2,524 2,524,723 2,524,723 2,524 2,524,723 2	•	96	Collection Sewer Forced	2.00%	638.023	0181		•	•		,		1		,	•	•
38.5 Speaked Selecting Standaries 2 00s. 1,204 113 649,88 60.5 57.7 6.2 40,550 38.6 From Manual Selecting Standaries 2 00s. 1,204 113 649,88 60.5 57.7 7 0 38.7 From Landaries Selection 2 00s. 65,720 330,148 67,720 330,148 39.7 From Landaries Selection 2 375 667,720 330,148 67,720 330,148 37.1 Pumping Equipment 1 250s, 2012 2 203,700 (45,560) 105,354 (425) 150,139 150 37.1 Pumping Equipment 1 250s, 2012 2 203,700 (45,560) 105,354 (425) 150,139 150 37.1 Pumping Equipment 1 250s, 2014 2 20,300 (45,560) 175 150 175 150 37.1 Pumping Equipment 2 250s, 2014 2 250s, 2014 2 250s, 2014 2 250s, 2014 175 150 37.1 Pumping Equipment 2 250s, 2014 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	7	8	Coffection Sewers Gravity	2.00%	5.991,239	2 5.00 7.02	, *	. 407 704	, 5		. 600	•	ı		10,600	836,023	12,511
20 Check New Management 2004 1,204 13 600,888 8,015 (140) (17,17) 0 0 0 0 0 0 0 0 0	•	362	Special Collecting Structures	2 00%	,	7	3	401,124	(27)		407,630	•	•		103,251	6,398,869	2,700,043
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30 Floates Services 3.00% 3.00% 3.00% 4.00% <td>9</td> <td>충</td> <td>Flow Measuring Devices</td> <td>10:00%</td> <td>66.338</td> <td>51.174</td> <td>2</td> <td>603</td> <td>3</td> <td></td> <td>110'1</td> <td>=</td> <td>-</td> <td></td> <td>20,132</td> <td>1,211,690</td> <td>890,030</td>	9	충	Flow Measuring Devices	10:00%	66.338	51.174	2	603	3		110'1	=	-		20,132	1,211,690	890,030
397 Received before buildings 8.33% 9.07.20 3.30,148 9.07.20 3.00.148 9.07.20 3.00.148 9.07.20 1.00.108 1.00.10	Ξ	*	Reuse Services	2.00%	•			(aza)			(978)	•	•		5,490	65,412	38,684
371 Prompting Worlds 3.339 Recenting Worlds 3.301 Recenting Worlds 3.301 Recenting Worlds 3.301 Recenting Worlds 3.200 Register 3.200 Register 12.000 Register 10.500 Register 10.500 Register 12.000 Register 10.500 Regi	2	287	Reuse Meters And Installation	8.33%	1	•	ļ	•					•				•
Pumping Equipment 12,50% C-27012 209,700 (49,590) 105,964 (425) 105,139 190	£	370	Receiving Wells	3,33%	867 120	320 148					•				•	•	
17.1 Pumping Equipment 12.50% 201.2 200.2 201.2 20	ĭ	371	Pumping Equipment	12.50% <=		(49 566)	1	•				. !	. !		24,083	887,120	354,210
Pumping Equipment 12,00% 2013 12,00% 2014 12,00% 2014 12,00% 2014 12,00% 2014 12,00% 2014 12,00% 2014 12,00% 2014 12,00% 2014 12,00% 2014 12,00% 2014	5	371	Pumping Equipment	12.50% 20	•	,	105 864		(100)			2	19		21,736	208,570	(28,020)
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35 Peuve Transa, and Diet. System 2.50% 975_LI33 815_247 5.100 2.884 (33) 7.751 195 36 Treatment of Disposal Equipment 5.00% 19.75_LI33 815_247 5.100 2.884 (33) 7.751 195 38 Order Sever Paul & Congress Equipment 6.07% 84.890 6.07% 16.72	8	374	Reuse Distribution Reservoirs	2.50%			20,50	•	(G)		PE, 139	8	6		27.212	313,709	(22,544)
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381 Plant Severa 5,00% 13,580 67 1,672 1,713 1,713	ន	380	Treatment & Disposal Equipment	5.00%	975,033	815.247	5.120	7 887	(3)	,	. #	. 3			• !		
382 Outfall Sever Lines 3.33% 64 / 59 107 / 25 390 Office Funder and Explication 687% 14 / 325 44 / 325 (7,756) (7,756) (7,756) 390 Office Funder and Explication 6.87% 14 / 25 4,025 (7,756) (7,756) (7,756) 390.1 Computers and Software 20,00% 4,025 4,025 (1,756) (1,756) 391 Transportation Equipment 20,00% 1,17 4,025 4,025 1,025	ន	381	Plant Sewers	5,00%	13 680	5	1 677		(%)	•	יינפון	Ē	Ē	•	40,784	S82, 589	855,836
389 Other Severe Plant & Equipment 6,67% (7,786) 64,690 (7,786) (7,713) (7,713)<	7	382	Outfall Sawer Lines	3.33%		,					1,0/2	1	•		60 6	15,382	982
390 Office Funniture & Equipment 6.87% 116.937 31.367 (1.130) (1.130) 391 Conventers and Software 20.00% 4.025 4.025 (1.20) (1.130) (1.130) 392 Stores Equipment 20.00% 117 10 2.513 2.513 2.513 392 Stores Equipment 4.00% 5.139 4.936 2.513 2.513 2.513 394 Looked Scholment Cardio Equipment 5.00% 5.936 5.838 5.838 2.513 2.513 395 Power Operated Equipment 10.00% 5.936 5.838 5.838 5.838 7.113 396 Other Tangabous Equipment 10.00% 3.913 3.913 3.913 7.113 7.113 398 I Mogales WMTP 4.72% 2.424,604 139,454 7.113 7.113 7.113 TOTALS 1.07A.S 4.72% 4,698 MG 4.998 MG 3.94.761 6.998 MG 3.94.761 6.998 MG	ĸ	389	Other Sewer Plant & Equipment	6.67%	84.928	64 650	•	77 776.81								•	•
390.1 Computers and Software 20,00% 4,025 4,025 (025	Ж,	380	Office Furniture & Equipment	6.87%	116 937	34 347	•	(001,1)	•	•	(or 1, 1)	•	•	•	(B,940)	57,170	57,710
391 Transportation Equipment 20,00% 117 10 382 Since Equipment 4,00% 5,139 4,936 2,513 2,513 383 Total Sequence Equipment 10,00% 5,139 4,936 2,513 2,513 384 Laboratory Equipment 5,00% 5,39 5,836 5,836 5,836 385 Prover Operated Equipment 10,00% 5,836 5,836 5,836 387 Milcedaneous Equipment 10,00% 3,913 3,913 7,113 386,1 Negate e WMTP 4,72% 2,424,604 139,454 7,113 7,113 Plant Hald for Future Use 12,731,957 4,698,802 140,956 364,761 6980 5,58,60	27	390.1	Computers and Software	20.00%	4 025	4 025		(r)	•	•	(6,485)	,	•		8,320	110454	37,707
392 Stores Equipment 4,00% 5,139 4,996 2,513 2,513 315 Tobolish Specified Equipment 6,00% 5,936 5,836 2,513 2,513 386 Power Operated Equipment 10,00% 5,936 5,838 5,838 7,113 386 Communication Equipment 10,00% 3,913 3,913 3,913 7,113 386 Nogales WMTP 4,72% 2,424,604 139,454 7,113 7,113 Plant Held for Future Use 10,00% 3,913 4,72% 2,424,604 139,464 7,113 7,113	8	391	Transportation Equipment	20.00%	112	9	,	•		•	•		•	•	•	4,025	4.025
383 Tools, Shop And Garage Equip 5,139 4,936 2,513 2,513 384 Laboratoy Equip 10,00% 5,936 6,538 5,538 5,538 386 Communicatorial Equip 10,00% 5,936 5,838 5,838 5,838 387 Milecellaneous Equip 10,00% 3,913 3,913 7,113 7,113 388.1 Nogales WWTIP 4,72% 2,424,604 139,484 7,113 7,113 Plant Hald for Future Use 10,00% 3,913 4,72% 2,424,604 139,484 7,113 TOTALS 10,00% 3,913 4,72% 2,424,604 139,484 7,113 7,113	8	392	Stores Equipment	4.00%		? ,		1	•		•		•		R	117	8
384 Laboratory Equip (2.00%) 385 Prover Operated Equipment 6.00%, 5,938	ጽ	383	Tools, Shop And Garage Equip	5.00%	5.139	4.934	25.44	, ,			. ;		•		,	•	,
385 Prover Operated Equipment 5.00% 5.936 5.838 5.838 387 Mineraline Raup 10.00% 5.936 5.838 7.113 7.113 398 Other Tangolee Plant 4.72% 2.424,604 139,454 7.113 7.113 Plant Held for Future Use 12.751,957 4,698,882 140,956 354,761 698) 5,58,647	8	384	Laboratory Equip	10.00%	•						£,513	•			83	7,852	5,157
386 Communication Equip 10,00% 5,936 5,838 5,838 387 Milcoellaneous Equip 10,00% 3,913 3,913 7,113 396 Other Tangobe Plant 4,72% 2,424,604 139,454 7,113 7,113 1980, 1 Nogales WMTP 4,72% 2,424,604 139,454 7,113 7,113 Plant Held for Future Use 12,731,957 4,698,682 354,781 (698) 5,58,847	33	385	Power Operated Equipment	5.00%	•	,						•	•			•	•
38	3	386	Communication Equip	10.00%	5,836	5.838	•	•			•	•	,		•	• ;	•
396. Other Tangebie Plant 10,00% 3,913 3,913 7,13 7,	7	387	Miscellaneous Equip	10,00%				•			•	•			•	5,836	5,936
398,1 Nogales WMTP 4,72% 2,424,604 139,454 7,113 7,13 7,	8	386	Other Tangible Plant	10.00%	3,913	3.913		,			•	,				. !	. :
Plant Held for Future Use TOTALS 12,751,957 4,898,882 140,968 394,761 (698) 536,847	8	38 1.	Nogales WWTP	4.72%		139.454	7 113				7 443				. !	3,913	3,913
Plant Held for Future Use TOTALS 12,751,957 4,998,882 140,968 394,781 (698) 538,842 966	33				i		2				SIC,				85,508	2,431,717	234,961
Plant Held for Future Use 12.751.957 4,698,842 140,958 394,761 (698) 538,042 945	g														•		•
Plant Held for Future Use 12,751,957 4,698,882 140,958 394,781 (698) 545 N2 345	66																
TOTALS 12,751,957 4,698,882 14.0,958 394,781 (998) 545,N2 345,	8		Plant Held for Future Use								• •				•		
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Line Account	ţ		Andrican	5	HOLD PLOT	ć	Valued		Actuated				
No.	Description	Page 1	(Par Books)	Adjustments	Adjustments	Adhustments	Additions	(Per Books)	Pari Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant	Acoum, Depres
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÷ i		12.50%					•	8,059	8,059		200.00	200,511	(10,512
	Pumping Equipment	12.50%					•	•	•		13.142	105.139	18.81
3	Pumping Equipment	12.50%	62,376		8		62,326	•	,		3.895	A2 328	, and a
37	Pumping Equipment	12.50%	•				•	٠				4.04	26.7
371	Pumping Equipment	12.50%	•				•	•	•		•	•	•
37.1	Pumpling Equipment	12.60%	62,376		(20)	•	62.326	8,040	900		*****		. !
374	Reuse Distribution Reservoirs	2.50%	•		•				2000	•	44,000	0/8,100	12,002
375		2.50%					•	١			•		•
380	Treatment & Disposal Equipment	\$.00%		(195)		•	585	,					
381	Plant Sewers	5.00%					}		•	•	48, 123	46,394	904,900
382	Outlet Sewer Lines	3,33%	•				•	•			8	15,362	924
386	Other Sewer Plant & Equipment	6.67%		•		•	,	•	•		•	. !	. ;
96	Office Fumiture & Equipment	6.67%	32.020	,	•	(32 02th		•	•		. ;	0/1/6	37,710
390.1	Computers and Software	20.00%	. •	•		12 020	40.630	•	•	•	707.	10,434	470,04
391	Transportation Equipment	20.00%	•				777	•	•	•	3,202	200.00	EZ.
392	Stores Equipment	7 DOG		•	•				•		23	111	23
393	Tools, Shon And Gayage Foreign	, DOG	•				. !		•			•	•
365	Laboratory Equip	10.00%	3		•	•	3		,		£83	7,775	5,320
395	Power Operated Equipment	8 00%						•	•		•	•	•
86	Communication Equip	10.00%						•	•			•	•
397	Miscellaneous Found	40.00					•	•				5,936	E,938
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Ź	쉺	Description	Rate	(Per Books)	Adhustments	Adhustments	Adjustments	Additions	(Per Books)	Retirements	100	A/D Cyny		(Calculated)	Bakeros	Accum. Depred
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2	367		8.33%	•				٠								
2	370	Receiving Wells	3.33%						•					. !		. :
<u>*</u>	37.	Pumping Equipment	12.50%							1				28,679	087,120	11,961
2	37	_	25.0%					•	•					28.084	200,511	14,552
€	371	Pumping Equipment	12 606						i	•				13,142	105,139	31,761
17	37		2	44.65	•			• !						7.791	62,326	11,886
=	371		13.60%	000				78,455	•					4,906	79,455	4,966
2	;		2.30	. :				•			19,846		1,240	•	19,846	1,240
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8	381		5.00%		٠			•	•	•		•	•	8 6	AN	
7	382		3.33%	,	•									2	13,382	2,196
32	388	Other Seven Plant & Equipment	8 67%	A 205			1900		•	•				•	•	•
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3 3	9		\$0.0L					•						•	3.913	4 0 13
8 ;	398.1	Nogales WWTP	4.72%					•						114 777	2121212	464 545
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ş		Plant Held for Future Use						•						•	•	,
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3		TOTALS	_	228 230	(26.808)	. -	(15.802)	185 741	130	04.7	160 697					
									- and		106,504		ימף'פ	440,918	14,073,520	5,892,478

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2

Exhibit Settlement Schedule B-2 Page 4 Witness: Bourassa

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Accumulated Depres

		Acoum	Accumulated Depreciation									
-				•	c	Ç	1	Adlustments				
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ā	361		2 064 600	•	•	. '				٠	•	37,951
±	362		005, F96,4	•	•					223	•	2,964,731
ŧ	363		738.949	• 1	, ,	•					•	•
16	364	Flow Measuring Devices	65,412	,	•					æ	•	739,014
4	996	Reuse Services	•	•	,						1	65,412
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6	370		411,961	•	,					ı	•	
ଛ :	37.		62,965		1					, ,	1	411,961
5	374	Reuse Distribution Reservoirs	•	,		1				043.1	,	5 7,202
3 8	375	Reuse Trans, and Dist. System	1		1	1				, ,	•	•
3 2	200	Treatment & Disposal Equipment	954,080		Þ	•					· 1	. 65
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3 %	8 8	Other Sauer Diese, 9 Equipment	. 5	, ,	•					,		, 180
2 5	8 8	Office Complete & Equipment	71676	(201)	1	•				•	,	57 710
8	390.1		00,004 4 025	(3,204)	(72)	72				•	٠	52,450
83	391		92	5.50						•	•	13,631
9	392	Stores Equipment		į ,		• •					•	697
ਜ਼ :	393	Tools, Shop And Garage Equip	5,471	•	,	74				106		. ;
25	g g g	Laboratory Equip	308	•		(11)				5	•	/9/6 6
3 :	9	Power Operated Equipment		٠		0				692	,	67.
5 5	9 8	Communication Equip	6,057			9					· 8	810
ព្ធ	è è	Mrscellaneous Equip.	• •	1	•	•					(z) .	cco'o
8 8	308.1	Novelse (AAATO	3,913	•	ı						•	3 913
5 5	3		404,010		, ,	-				ı	•	484 515
88			7,882,397	6,818	(34.5)	(58)	•		•	3,607	(2)	5,892,478
육 :	903	Land and Land Rights										
=	8 8		2,875						,			100
	3		825 5						(900)			2,0/2
	j	Computers and Software	15,515						£			15.474
. 2									(1,888)			(1,888)
46		Plant Held for Future Use										•
4 :			\$ 5,901,325 \$	6,816 \$	(311) \$	\$ (62)			\$ (0.430)	3 607		
40 8		lated Daysocicion			•				(E, 400)		(2)	
		Securingian Debactaion per 00000										\$ 5,901,325
	ncrease	Increase (decrease) in Accumulated Depreciation	E								l	
2 2	1											7,651
												7,661
	HOPPOR.	RTING SCHEDULES										
	1-2, pag.	B-2, pages 4.1 through 4.8							. , .	RECAP SCHEDULES 8-2, page 2	ES:	

RECAP SCHEDULES: 8-2, page 2

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - A

Exhibit Settlement Schedule B-2 Page 4.1 Witness: Bourassa

Line									
No.									
1	Plant Re	<u>eclass</u>							
2									
3									
4	Acct.		Depr						
5	<u>No.</u>	<u>Description</u>	<u>Rate</u>	<u> 2012</u>	<u>2013</u>	<u>2014</u>			<u>Total</u>
6	351	Organization	0.00%	,	-			\$	-
7	352	Franchise	0.00%		-	-			-
8	353	Land	0.00%		-	-			-
9	354	Structures & Improvements	3.33%		-	-			•
10	355	Power Generation	5.00%	-	=	-			-
11	360	Collection Sewer Forced	2.00%	-	•	-			-
12	361	Collection Sewers Gravity	2.00%	-	-	-			-
13	362	Special Collecting Structures	2.00%	_	-	-			-
14	363	Customer Services	2.00%	-	-	-			-
15	364	Flow Measuring Devices	10.00%	-	-	•			-
16	366	Reuse Services	2.00%		_	_			_
17	367	Reuse Meters And Installation	8.33%		-	-			-
18	370	Receiving Wells	3.33%		-	-			_
19	371	Pumping Equipment	12.50%	-	-	_			_
20	374	Reuse Distribution Reservoirs	2.50%	-	-	-			•
21	375	Reuse Trans, and Dist, System	2.50%	-	_	-			-
22	380	Treatment & Disposal Equipment	5.00%	-	-	-			-
23	381	Plant Sewers	5.00%	_	_	•			-
24	382	Outfall Sewer Lines	3.33%	-	-	-			-
25	389	Other Sewer Plant & Equipment	6.67%	-	-	(207)			(207)
26	390	Office Furniture & Equipment	6.67%	-	(1,068)	(2,136)			(3,204)
27	390.1	Computers and Software	20.00%	-	3,202	6,404			9,606
28	391	Transportation Equipment	20.00%	-	-	621			621
29	392	Stores Equipment	4.00%	-	_	-			-
30	393	Tools, Shop And Garage Equip	5.00%	-	-	•			_
31	394	Laboratory Equip	10.00%	-	-	-			_
32	395	Power Operated Equip	5.00%	-	-	•			-
33	396	Communication Equip	10.00%	-	_	-			
34	397	Miscellaneous Equipment	10.00%	-	-	_			•
35	398	Other Tangible Plant	10.00%	-	-	-			-
36	398.1	Nogales WWTP	4.72%	-	-	-			-
37		_							
38									
39									
40									
41		TOTALS		\$ -	\$ 2,134	\$ 4,682 \$	- \$-	\$	6,816
42							·	سنب	
43									
4.4	CLIDDO	DTIMO COLIEDUI E							

SUPPORTING SCHEDULE

Work papers

44

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46

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - B

Exhibit Settlement Schedule B-2 Page 4.2 Witness: Bourassa

Line	•								
No.									
1		ported Plant							
2									
3									
4	Acct		Depr						
5	No.	Description	Rate	2012	2013		2014		Total
6	351	Organization	0.00%			·	-	\$	1044
7	352	Franchise	0.00%	_		_	_	•	_
8	353	Land	0.00%	_		_	-		-
9	354	Structures & Improvements	3.33%	_		_	(239)		(239)
10	355	Power Generation	5.00%	_		-	-		(200)
11	360	Collection Sewer Forced	2.00%	_		_	•		_
12	361	Collection Sewers Gravity	2.00%	_		_	•		_
13	362	Special Collecting Structures	2.00%	-		_	-		-
14	363	Customer Services	2.00%	-		-	•		_
15	364	Flow Measuring Devices	10.00%	-		-	_		_
16	366	Reuse Services	2.00%	-		_	•		-
17	367	Reuse Meters And Installation	8.33%	-		-	•		
18	370	Receiving Wells	3.33%	-		_	_		_
19	371	Pumping Equipment	12.50%	_		_	_		_
20	374	Reuse Distribution Reservoirs	2.50%	-		_	_		_
21	375	Reuse Trans. and Dist. System	2.50%			_			_
22	380	Treatment & Disposal Equipment		_			_		_
23	381	Plant Sewers	5.00%	-		_	_		_
24	382	Outfall Sewer Lines	3.33%	-		_	_		_
25	389	Other Sewer Plant & Equipment	6.67%	-		-	_		_
26	390	Office Furniture & Equipment	6.67%	_		-	(72)		(72)
27	390.1		20.00%	_		_	(, -,		(12)
28	391	Transportation Equipment	20.00%	_		-	•		_
29	392	Stores Equipment	4.00%	_		_	_		-
30	393	Tools, Shop And Garage Equip	5.00%	_		_	_		-
31	394	Laboratory Equip	10.00%	_		_	_		-
32	395	Power Operated Equip	5.00%	_		_	_		-
33	396	Communication Equip	10.00%	_		_	_		-
34	397	Miscellaneous Equipment	10.00%	_		_	_		-
35	398	Other Tangible Plant	10.00%	_		_	_		-
36	398.1		4.72%	_		_	_		-
37			,,				_		-
38									
39									
40									
41		TOTALS	<u>-</u> \$		\$	- \$	(311) \$ -	## \$	/2441
42						Ψ	(311) \$ -	mm þ	(311)
43									
44	CLIDDO	BTING SCHEDULE							

SUPPORTING SCHEDULE

Work papers 46

44

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014

Original Cost Rate Base Proforma Adjustments
Adjustment Number 2 - C

Exhibit Settlement Schedule B-2 Page 4.3 Witness: Bourassa

Line							
No.							
1	Plant T	rue-up					
2							
3	4		D				•
4	Acct.	Description	Depr	0040	0040	0044	
5 6	<u>No.</u> 351	Description Organization	Rate	2012	<u>2013</u>	<u>2014</u>	<u>Total</u>
7	352	Franchise	0.00% 0.00%	-	-	•	\$ -
8	352 353	Land	0.00%	-	-	-	-
9	354	Structures & Improvements	3.33%	-	-	-	-
10	355	Power Generation		-	•	-	-
11	360	Collection Sewer Forced	5.00% 2.00%	-	-	-	•
12	360 361	Collection Sewer Forced Collection Sewers Gravity		-	•	- 0	-
13	362	•	2.00% 2.00%	-	-	8	8
14	363	Special Collecting Structures Customer Services		-	-	-	•
15	364		2.00%	-	•	•	-
16	366	Flow Measuring Devices	10.00%	-	•	-	-
17	367	Reuse Services Reuse Meters And Installation	2.00%	-	-	•	-
18	370	Receiving Wells	8.33% 3.33%	-	•	•	~
19	370 371	_		-	-	-	•
20	371	Pumping Equipment	12.50%	-	•	-	-
21	374	Reuse Distribution Reservoirs	2.50%	•	-	-	-
22	380	Reuse Trans. and Dist. System	2.50%	-	-	-	-
		Treatment & Disposal Equipment	5.00%	-	-	-	•
23	381	Plant Sewers	5.00%	-	-	-	-
24	382	Outfall Sewer Lines	3.33%	-	-	-	-
25	389	Other Sewer Plant & Equipment	6.67%	-	-	-	-
26	390	Office Furniture & Equipment	6.67%	•	-	72	72
27		Computers and Software	20.00%	-	•	-	-
28	391	Transportation Equipment	20.00%	-	-	-	•
29	392	Stores Equipment	4.00%	•	-		
30	393	Tools, Shop And Garage Equip	5.00%	-	-	2	2
31	394	Laboratory Equip	10.00%	-	-	(111)	(111)
32	395	Power Operated Equip	5.00%	-	-	0	0
33	396	Communication Equip	10.00%	•	-	(0)	(0)
34	397	Miscellaneous Equipment	10.00%	-	-	-	-
35	398	Other Tangible Plant	10.00%	-	-	•	-
36	398.1	Nogales WWTP	4.72%	-	•	-	-
37							
38							
39							
40		TOTALE	_				
41		TOTALS	-	<u> </u>	\$ -	\$ (29) \$	- #\$ (29)
42							
43	OL HODGO	DTING SCHEDULE					

SUPPORTING SCHEDULE Work papers

44

45 46

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2- D

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Exhibit Settlement Schedule B-2 Page 4.4 Witness: Bourassa

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2 - E

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Exhibit Settlement Schedule B-2 Page 4.5 Witness: Bourassa

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - F

Exhibit Settlement Schedule B-2 Page 4.6 Witness: Bourassa

Line <u>No.</u>	_							
1 2 3	Corpora	ate Plant	[1]	[2] Liberty	[3] Rìo Rico	[4] = [1]x[2]x[3] Allocated	Direct	
4	Acct.	_		Utilities	Sewer	Orginal	Orginal	Increase
5 6	<u>No.</u> 903	<u>Description</u> Land and Land Rights	<u>A/D</u> \$ -	Factor 12.94%	<u>Factor</u> 2.50%	<u>Cost</u>	<u>Cost</u> -	(Decrease)
_	904	Structures and Improvments	309,237	12.94%	2.50%	1,000	1,356	(356)
7	940.1	Computers and Software	65, 44 2	12.94%	2.50%	212	921	(710)
8								
9 10	111 Sub	-Corp. Plant						
11	LO SUD	-Corp. Plant						
12	903	Land and Land Rights	_		2.50%			-
13	904	Structures and Improvments	74,974		2.50%	1,874	2,019	(144)
14	940	Office Furniture and Equipment	21,535		2.50%	538	580	(41)
15		Computers and Software	612,134		2.50%	15,303	16,482	(1,178)
16		·						(1,114)
17								
18								
19								
20 21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31 32								
33								
34								
35								
36								
37								
38								
39								
40								
41		TOTAL O	A 4 505 555		-			
42 43		TOTALS	\$1,083,322			\$ 18,928	\$ 21,358	\$ (2,430)
43 44								
45	SUPPOI	RTING SCHEDULE		1	RECAP SCH	EDITIES:		
46	Work pa	-			B-2, page 4	EDULES.		
47		# -:-		•	, page 4			

Liberty Utilities (Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments

Adjustment Number 2 - G

Exhibit Settlement Schedule B-2 Page 4.7 Witness: Bourassa

Line							
<u>No.</u>							
1	Post-To	est Year Plant Accummulated Deprec	iation				
2							
3							
4	4 •		Direct		Adjusted		
5	Acct.	—	PTY		PTY	Depr	Depr (1/2 Year)
6 7	<u>No.</u>	<u>Description</u>	Plant Balance	<u>Adjustments</u>	Plant Balance	<u>Rate</u>	PTY
8	101	Plant-in-Service	\$ -	\$ -	\$ -	0.00%	\$ -
9	351 352	Organization	-	-	-	0.00%	-
10	352 353	Franchise	•	•	•	0.00%	-
11	354	Land			. •	0.00%	-
12	355	Structures & Improvements Power Generation	203,874	(141,684)	62,190	3.33%	1,035
13	360	Collection Sewer Forced	•	•	-	5.00%	•
14	361	Collection Sewers Gravity	-	-		2.00%	•
15	362	• • •	22,276	-	22,276	2.00%	223
16	363	Special Collecting Structures Customer Services	-		•	2.00%	-
17	364	Flow Measuring Devices	5,654	850	6,504	2.00%	65
18	366	Reuse Services	-	•	-	10.00%	-
19	367	Reuse Meters And Installation	•	•	-	2.00%	-
20	370	Receiving Wells	•	•	-	8.33%	-
21	371	Pumping Equipment	204 200			3.33%	-
22	374	Reuse Distribution Reservoirs	304,386	(284,540)	19,846	12.50%	1,240
23	375	Reuse Trans. and Dist. System	-	•	•	2.50%	-
24	380	Treatment & Disposal Equipment	-	-	•	2.50%	-
25	381	Plant Sewers	-	-	•	5.00%	•
26	382	Outfall Sewer Lines	•	•	-	5.00%	-
27	389	Other Sewer Plant & Equipment	•	-	-	3.33%	-
28	390	Office Furniture & Equipment	•	•	•	6.67%	-
29	390.1	Computers and Software	•	-	-	6.67%	•
30	391	Transportation Equipment	•	•	•	20.00%	•
31	392	Stores Equipment	•	•	•	20.00%	•
32	393	Tools, Shop And Garage Equip	- 1 1,39 9	- 370	44 300	4.00%	-
33	394	Laboratory Equip	11,533	370	11,769	5.00%	294
34	395	Power Operated Equipment	29,947	•	00 0 47	10.00%	•
35	396	Communication Equip	23,541	-	29,947	5.00%	749
36	397	Miscellaenous Equip.	•	•	•	10.00%	-
37	398	Other Tangible Plant	•	-	-	10.00%	-
38	398.1	Nogales WWTP	•	•	-	10.00%	-
39		riogales titti:	-	•	•	4.72%	-
40							
41							
42							
43			\$ 577,537	£ (405.005)	A 452	_	
44		TOTALS	φ 3/1,53/	\$ (425,005)	\$ 152,532		\$ 3,607
45		IOIALO				_	

SUPPORTING SCHEDULE Work Papers

RECAP SCHEDULES: B-2, page 3

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - H

Exhibit Settlement Schedule B-2 Page 4.8 Witness: Bourassa

Line									
No.									
1	Recond	iliation of A/D to A/D Reconstruction	1						
2									
3							Adjusted	Plant	
4	Acct.			Orginal	B-2		Orginal	Per	
5	<u>No.</u>	<u>Description</u>		Cost	<u>Adjustments</u>		Cost	Reconstruction	Difference
6	108	Accumulated Depreciation	S		s -	\$		\$ -	\$ -
	351	Organization			•	•	-	•	•
7	352	Franchise		-	-		-	_	_
8	353	Land		_			-	_	_
9	354	Structures & Improvements		46,444	796		47,240	47,240	_
10	355	Power Generation		-	-		77,240	77,270	•
11	360	Collection Sewer Forced		37,951	_		37.951	37,951	-
12	361	Collection Sewers Gravity		2,964,500	231		2,964,731		•
13	362	Special Collecting Structures		2,904,500	231		2,904,731	2,964,731	-
14	363	Customer Services		738.949	65			- -	-
15	364			•	00		739,014	739,014	•
		Flow Measuring Devices		65,412	-		65,412	65,412	-
16	366	Reuse Services		-	•		-	-	-
17	367	Reuse Meters And Installation			-			-	-
18	370	Receiving Wells		411,961	•		411,961	411,961	-
19	371	Pumping Equipment		62,965	1,240		64,205	64,205	-
20	374	Reuse Distribution Reservoirs		-	-		-	-	-
21	375	Reuse Trans. and Dist. System		-	-		-	-	-
22	380	Treatment & Disposal Equipment		954,080	-		954,080	954,080	-
23	381	Plant Sewers		2,198	•		2,198	2,198	-
24	382	Outfall Sewer Lines		•	-		_	-	-
25	389	Other Sewer Plant & Equipment		57,917	(207)		57,710	57,710	•
26	390	Office Furniture & Equipment		55,654	(3,204)		52,450	52,450	_
27	390.1	Computers and Software		4,025	9,606		13,631	13,631	_
28	391	Transportation Equipment		76	621		697	697	_
29	392	Stores Equipment			-		-	-	_
30	393	Tools, Shop And Garage Equip		5,471	296		5.767	5,767	
31	394	Laboratory Equip		308	(111)		197	197	-
32	395	Power Operated Equipment		-	749		749	749	-
33	396	Communication Equip		6,057	(0)		6,057	=	(2)
34	397	Miscellaneous Equipment		0,007	(0)		0,037	6,055	(2)
35	398	Other Tangible Plant		3,913	•		2 24 2	-	-
36	398.1	Nogales WWTP		•	-		3,913	3,913	-
37	390.1	Nogales WWV IP		464 ,515	•		464,515	464,515	-
38									
39									
40									
41									
42		TOTALS	\$	5,882,397	\$ 10,083	\$	5,892,479	\$ 5,892,478	\$ (2)
43									
44									
45	SUPPO	RTING SCHEDULE						RECAR SCHEDI	II EQ:

45 <u>SUPPORTING SCHEDULE</u>
 46 B-2, pages 4.1
 47 B-2, pages 3.8 through 3.10

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division

Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Exhibit
Settlement Schedule B-2
Page 5
Witness: Bourassa

Contributions-in-Aid of Construction (CIAC) and Accumulated Amortization

No.					
1					
2					
3			Gross	Ad	cumulated
4			CIAC	Aı	<u>mortization</u>
5	Computed balance at End of Test Year	\$	5,112,247	\$	2,943,275
6					
7	Adjusted balance at End of Test Year	\$	5,112,247	\$	2,935,215
8					
9	Increase (decrease)	\$	•	\$	8,060
10					
11					
12	Adjustment to CIAC/AA CIAC	_\$		_\$	(8,060)
13	Label		3a		3b
14					• •

SUPPORTING SCHEDULES

E-1

Line

B-2, page 5.1

RECAP SCHEDULES:

B-2, page 2

berty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Divisi-Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Contributions-in-aid of Construction and Amortization Adjustment 3

Exhibit Settlement Schedule B-2 Page 5.1 Witness: Bourassa

	Per Decision	2012	2	20	2013	3(2014
	Balance 2/29/2012	Additions	Balance 12/31/2012	Additions	Balance 12/31/2013	Additions	Balance 12/31/2014
CIAC	5,152,673	•	5,112,247	•	5,112,247	•	5,112,247
Rate Case Adj - AIAC error Rate Case Adj - AIAC error		(261,316) 220,890					
Amortization Decision No. 58743 Amortization Rate	0.38%		2.51%		3 14%		2 17 E
Amortization	19,594		129,418		160,453		162.267
Accumulated Amortization	2,491,137		2,620,555		2,781,008		2,943,275
Net CIAC	2,661,536	1	2,491,691		2,331,239	•	2,168,972

Liberty Utilitles (Rio Rico Water & Sewer) Corp. - Sewer Division
Test Year Ended December 31, 2014
Original Cost Rate Base Proforma Adjustments Adjustment 4

Advances-in-Aid of Construction (AIAC)

Exhibit Settlement Schedule B-2 Page 6 Witness: Bourassa

Line			
No.			
1			
2			
3		i	
4 5	Computed balance at End of Test Year	\$	529,379
6	Book balance at End of Test Year	\$	529,379
7		<u> </u>	
8	Increase (decrease)	\$	-
9			
10			
11			
12			
13			
14			
15			
16			
17 18			
19	SUPPORTING SCHEDULES	DECA	D BOUEDULES.
20	E-1	B-2, p:	P SCHEDULES:
21	B-2, page 6.1	b-2, pa	age Z
22	, p-g		
23			
24			
25			
26			
27			
28			
29			
30			
31			

Liberty Utilities (Rio Rico Water & Sewer) Corp. . Sewer Division Test Year Ended December 31, 2014 Advances-in-Aid of Construction (AIAC)

Settlement Schedule B-2 Page 6.1 Witness: Bourassa

1	Per Decision	2012	12	2013	13	2014	4
,	Balance 2/29/2012	Activity	Balance 12/31/2012	Activity	Balance 12/31/2013	Activity	Balance 12/31/2014
AIAC additions	K07 F0C		0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	340 505			
Refunds		(4,531)	500	(5,472)	050,055	(1.511)	928,578
Rate Case Adj - Adjust to move to CIAC	Ų	(220,890)					
Rate Case Adj - AIAC in Process		95,000					
Rate Case Adj - IAD		22,963					
AIAC in Process							
ΙΑΌ		2,500		5,000		•	
!							
Total AIAC	293,794	(104,958)	188,837	342,053	530,890	(1.511)	529.379

AIAC agreement was originaly posted to CIAC pre acquisition in 2003 for 261,316. The contrate was only for 5yrs however AIAC was refunded for 8 years. Journal entries were never made to correct the GL accounts. So in 2011 an entry to move the ball to CIAC should have been 220,889.63

AIAC in process rate case adjustment was for the AIAC in procees that was taken in 2008 but was not included in the AIAC amount, in the 2012 rate case the 95000 was subtracted out.

IAD Rate case adj - the deposit was not added the previous rate case AIAC amount

Liberty Utilities (Rico Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment 6

Exhibit Settlement Schedule B-2 Page 7.0 Witness: Bourass

	Future Tax Liability Current Non Current	(965,202)	(139.723)		\$ (1,104,926)								
	Future Tax Asset Current Non Current	•	•	\$ 284,529	\$ - \$ 294,529	\$ (810,397)	0.3367	\$ (272,880)	\$ (3,603)	\$ (276,483)	\$ (683,150)	\$ (406,667)	
	Effective Tax Rate	32.68%	4.900%	37,576%									
	Deductible TD (Taxable TD) Expected to be Realized	\$ (2.953.829)	\$ (2,851,496)	\$ 783,815 *									
	Probability of Realization of Future Tax Benefit	100.0%	100.0%	100.0%			before ADIT)						
L 31, 2014	Water & Sewer <u>Tax Value</u>	\$ 13,960,888 2	\$ 14,063,222 2	783,815			(based on rate base			uoj			
Deferred income Tex as of December 31, 2014	N N	(22,235,285) 7 (13,104,626) 3 (13,104,626) 3 (16,914,718	\$ 16,914,718			lity)	Allocation Factor - Wastewater-Division (based on rate base before $ADIT$)	Net Asset (Liability) Water Division	rate ADIT ^s	Total Asset (Liability) Wastewater Division	ity) per Direct	!	
Deferred Incom	Plant-in-Service	Accum. Deprec. CIAC Fixed Assets	Fixed Assets	AIAC		Net Asset (Liability)	Allocation Factor	Net Asset (Liabil	Allocated Corporate ADIT ⁵	Total Asset (Liat	DIT Asset (Liability) per Direct	Adjustment to DIT	
		Ē	State	Fed & State AIAC									

Footnotes - See page 7.1

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Original Cost Rate Base Proforma Adjustments Adjustment 3

Exhibit Settlement Schedule B-2 Page 7.1 Witness: Bourassa

[†] Per adjusted book balances, tand not included

² Computation of Net Tax Value December 31, 2014

Based on 2014 Tax Depreciation report (December 31, 2014)
Adjusted Cost at December 31, 2014 per federal and state tax depr. report
Land on Tax and not on included in adjusted plant balance
DTY but

Net Unadjusted Cosl tax Basis at December 31, 2014

Reductions

A/D 2014 per federal and state tax depr. report Accumulated Depreciation 2014 PTY Plant Net Reductions through December 31, 2014
Net tax value of plant-in-service at December 31, 2014

³ CIAC (including impact of change to probability of realization) Gross CIAC per adjusted book balances CIAC reductions/additions

A.A per adjusted book bafances

Net CIAC before unrealized AIAC

Unrestized AIAC Component
AIAC per adjusted book balances
Adjusted Net AIAC (see footnote 5 below)
Unrestized AIAC Component % (1-Restized AIAC Component)

Total realizable CIAC

* AIAC (including impact of change in probability of realization) AIAC per adjusted book balances Less: Unrealized AIAC (from Note 3, above)

Subtotal

Meter and Service Line Installation Charges per adjusted book balances Total realizable AIAC

			\$ 30,212,405				(16,149,183)
	\$ 28,144,708	2,067,697		\$ (16,104,457)	(44,725)	,	
THE STATE OF			\$ 29,205,674				(15,244,785) \$ 13,960,888
	77,137,977	2,067,697	<u>.</u>	(15,200,060)	(44,725)	ı	
1405. 1401	4		 1	•			j,

\$ 25,374,157

\$ (13,323,688)

(13,323,688) s 12,050,470 \$ 1,505,937 70,0% \$ 1,054,156 \$ 13,104,626 \$ 1,505,937 \$ (1,054,156) \$ 451,781 332,034 \$ 783,815

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Cash Working Capital

Liberty Utilities (Rio Rico Water & Sewer) Corp Sewer Division Test Year Ended December 31, 2014 Cash Working Capital Witness: Bourassa	Cash Working Proforma Revenue Expense Net Lead/Lag Capitat Test Year Lag (Lead) Lag (Lead) Factor Required Amount' Days Days Col. C - Col. D Col. E 7 Col. F	(B) (C) (D) (E) (F) (G)	\$ 112,810	RECAP SCHEDULES: B-2, page 2
Liberty Utilities (Rio Rico Water & Sewer) C. Test Year Ended December 31 Cash Working Capital		(A) (B)	Salaries and Wages Salaries and Wages Purchased Wasiewater Treatment Sludge Removal Purchased Power Chemicals Materials and Supplies Contractual Services - Professional Contractual Services - Professional Contractual Services - Cither Chemicals Materials and Supplies Contractual Services - Cither Contract	42 433

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Income Statement

Settlement Schedule C-1 Page 1

Exhibit

Witness: Bourassa

Line <u>No.</u>			Test Year Adjusted Results	A	djustment		Settlement Adjusted Results		Proposed Rate Increase		Adjusted with Rate Increase
1	Revenues			_			1				1/15/case
2	Flat Rate Revenue	S	1,470.855	S	-	\$	1,470,855	5	162,266	\$	1,633,121
3	Measured Revenues	•	•	•		•	., 0,000	•	102,200	4	1,033,121
4	Misc Revenues		7,468		_		7,468				7,468
5		\$	1,478,323	\$		\$	1,478,323	S	162,266	5	1,640,590
6	Operating Expenses	•	.,,	•		•	1,110,020	Ψ	102,200	4	1,040,080
7	Salaries and Wages	\$	-		-	\$	_			\$	
8	Purchased Wastewater Treatment	•	3,811		108,999	•	112,810			4	112,810
9	Sludge Removal				100,000		112,010				112,010
10	Purchased Power		67,788		_		67.788				67,788
11	Fuel for Power Production				_		07,700				07,700
12	Chemicals		6.030		_		6.030				6.030
13	Materials and Supplies		7,433		_		7,433				7.433
14	Contractual Services - Professional		167,347		41,444		208,790				208,790
15	Contractual Services - Testing		405				405				200,790 405
16	Contractual Services - Other		260.568		(102,997)		157.571				
17	Office Supplies and Expense		1,916		(.02,001)		1,916				157,571
18	Rents		3,379		_		3,379				1,916 3,379
19	Transportation		10,899		_		10,899				10.899
20	Insurance		7,991		_		7.991				•
21	Regulatory Commission Expense		14,717		_		14,717				7,991
22	Miscellaneous		45,814		(372)		45,442				14,717
23	Depreciation		326,172		(29,621)		296,551				45,442
24	Taxes Other Than Income				(23,521)		290,551				296,551
25	Property Taxes		75,741		54		75.795		2,777		70.570
26	Income Tax		157,337		(4,038)		153,300		59,385		78,572
27	Total Operating Expenses	\$	1,157,347	\$		\$	1,170,815	s	62,162	\$	212,684
28	Operating Income	\$	320,976	\$	(13,468)	_	307,508	ŝ	100,105	-	1,232,977
29	Other Income (Expense)	•	020,010	•	(15,400)	Ψ	307,300	4	100,105	\$	407,613
30	Interest and Dividend Income		_		_		_				
31	AFUDC Income		_		_		-				-
32	Miscellaneous Non-Utility Expenses		_		_		-				-
33	Interest Expense		(55,750)		6,661		(49,088)				- (45.550)
34			(55,700)		0,001		(49,000)				(49,088)
35	Total Other Income (Expense)	<u>s</u>	(55,750)	\$	6,661	<u>.</u>	(40.000)	•			
36	Net Profit (Loss)	<u> </u>	265,226	\$	(6,807)	\$	(49,088)		406465	5	(49,088)
37	,		200,220	<u> </u>	(0,00/)	}	258,420	\$	100,105	\$	358,525
38	SUPPORTING SCHEDULES:										_
39	C-1, page 2								CAP SCHED	ULE	<u>S:</u>
40	E-2							A-1			
41											

41

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division dba Liberty Utilities Test Year Ended December 31, 2014 Income Stalement

Exhibit Settlement Schedule C-1 Page 2.1 Witness: Bourassa

Corporate Cost Adj. Non-Labor 57,071 (108,999)108,999 Expense Reclass 4 Intentionally Left <u>Blank</u> 3 <u>3</u> Ż 3 Property Taxes (29,621) Depreciation 6,030 7,433 187,347 405 260,588 1,916 3,379 10,899 7,891 14,717 45,814 326,172 1,470,855 3,811 67,788 (55,750) 75,741 Adjusted Results Test Year LABEL>>>> Operating Income (Expense)
Interest and Dividend Income
AFUDC Income
Miscellaneous Non-Utility Expenses
Interest Expense Contractual Services - Professional Contractual Services - Testing Contractual Services - Other Regulatory Commission Expense Miscellaneous Depreciation Taxes Other Than Income Salaries and Wages Purchased Wastewater Treatment SUPPORTING SCHEDULES: Office Supplies and Expense Total Other Income (Expense) Fuel for Power Production Total Operating Expenses Materials and Supplies Flat Rate Revenue Measured Revenues Misc Revenues Operating Expenses Sludge Removal Purchased Power Property Taxes Transportation Net Profit (Loss) Income Tax Insurance Revenues

 $\begin{array}{c} L_{10} \\ \hline No.$

Liberty Utilities (Rio Rico Water & Sewer) Corp. · Sev dbs Liberty Utilities Test Year Ended December 31, 2014 Income Statement

Exhibit Settlement Schedule C-1 Page 2.2 Withess: Bourass

;		9 Corporate	10 Corporate	11 Restated	12	21	14 Intentionally	粨	#	3	1	·		
	Revenues	Cost Adj. <u>Labor</u>	Cost Adj. Labor Inc	Capitelized <u>Labor</u>	Postage	Incentives & Rents	Left	Interest Synch.	Income Taxes	Adjusted Results	<u> </u>	Proposed Rate Increase	Adjusted with Rate Increase	sted Rate 1838
01 PS	First Rate Revenue Measured Revenues									7,4	1,470,855 \$	162,266	\$ 1,63	1,633,121
4 W	Misc Revenues										7,488			7,468
9 1	Operating Expenses			•				, 	,	٠. 4	1,478,323 \$	162,266	₩.	1,640,590
- 00	Purchased Wastewater Treatment									•			₩.	
с в \$	Sludge Removal									-	112,810		=	12,810
= =	Fuel for Power Production									Ĭ	87,788		•	67,788
2 5	Chemicals Materials and Survices										6,030			6.030
4	Contractual Services - Professional	714 011	800 6	404		i i					7,433			7,433
5	Contractual Services - Testing	7 - 2'	o T	(104/1)		(3,224)				Ħ	208,790		20	06,790
9	Contractual Services - Other	•	7,562			(1,580)				÷	406 157.571		#	406
- 4	Office Supplies and Expense Rents									•	1,916		2	1,975 1,918
19	Transportation										3,379			3,379
2 2	Insurance Deputation Committee France									-	10,899 7,991		<u> </u>	10,889 7,981
2	Miscelansous				(476)					_	14,717		-	14,717
23	Depreciation				(¥)(2)					۲ ۾	45,442		₹ (45,442
4 K	laxes Other Then Income Donasty Toxes									5	, cc 'p		₹	166,983
8	income Tax								;	_	75,795	2,777	~	78,572
	Total Operating Expenses	M	\$ 10,571	\prod	(372)	\$ (4,784) \$	•		(4,038)	15	153,300	59,385	21	212,684
	Other Income (Expense)	14,011	\$ (10,571) \$	\$ 1,401 \$	372	\$ 4'184 \$			\$ 4,038					407,813
8 8	Interest and Dividend Income AFUDC Income										1			•
88	Miscellaneous Non-Utility Expenses										, ,			ı
	interest Expense							6,661		ž.	(49,088)		•	(49.088)
S	Total Other Income (Expense) Net Profit (Lose)	\$	1 22				•			\$	\$ (880.6		9	(49 DRR)
		0.4		1,401	372	5 4,784 \$	6.0	6,661	\$ 4,038	\$ 25	258,420 \$	100,105 \$	ľ	358,525
8885	SUPPORTING SCHEDULES: C-2 E-2										SEC.	RECAP SCHEDULES; C-1, page 1	ńĺ	<u> </u>

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Adjustments to Revenues and Expenses

Exhibit Settlement Schedule C-2 Page 1 Witness: Bourassa

Line			Adjustme	nts to Revenues and	d Expenses			
<u>No.</u> 1 2		1	<u>2</u> Property	3 Rate	4 Intentionally	<u>5</u>	<u>6</u> Intentionally	Subtotal
3	Revenues	Depreciation	<u>Taxes</u>	Case Expense	Left <u>Blank</u>	Expense Reclass	Left <u>Biank</u>	
5						-	_	•
6 7	Expenses	(29,621)	54	•	-	-		(29,568)
8 9 10	Operating Income	29,621	(54)	-	-	-	-	29,568
10 11 12 13 14 15	Interest Expense Other Income / Expense				····			-
17 18	Net Income	29,621	(54)	•	<u>-</u>		_	29,568
19 20 21 22 23		7 Intentionally Left	Adjustme <u>8</u> Corporate Cost Adj.	nts to Revenues and 9 Corporate Cost Adj.	Expenses 10 Corporate Cost Adj.	11 Restated Capitalized	<u>12</u>	<u>Subtotal</u>
24 25 26	Revenues	<u>Blank</u>	Non-Labor	Labor	Labor Inc	Labor	<u>Postage</u>	-
27 28	Expenses	-	57,071	(14,011)	10,571	(1,401)	(372)	22,290
29 30 31	Operating Income	-	(57,071)	14,011	(10,571)	1,401	372	(22,290)
32 33 34 35 36	Interest Expense Other Income / Expense	-						-
37 38 39	Net Income	-	(57,071)	14,011	(10,571)	1,401	372	(22,290)
40 41 42 43 44 45		<u>13</u> Intentionally Left Blank	Adjustmer 14 Intentionally Left Blank	nts to Revenues and 15 Interest Synch	Expenses 16 Income Taxes			<u>Total</u>
46 47	Revenues	-	-	-	-			-
48 49	Expenses	(4,784)	-	<u> </u>	(4,038)			13,468
50 51 52	Operating Income	4,784	-	-	4,038	-	-	(13,468)
53 54 55 56 57	Interest Expense Other Income / Expense			6,661				6,661
58 59	Net income	4,784	-	6,661	4,038	_	•	(6,807)

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Adjustments to Revenues and Expenses Adjustment Number 1

Exhibit Settlement Schedule C-2 Page 2 Witness: Bourassa

Depreciation Expense

Line								
<u>No.</u>								
1								
2	44		Adjusted		Non-Depr.	Depr		
	Acct.	Ph	Original		or Fully	Original	Proposed	<u>Depreciation</u>
4	No.	<u>Description</u>	Cost		<u>Depr. Plant</u>	Cost	<u>Rates</u>	Expense
5 6	101	Plant-in-Service			-	-	0.00%	-
7	351 352	Organization	5,785		(5,785)	-	0.00%	•
8	35∡ 353	Franchise Land	417		(417)	-	0.00%	•
9	354		7,545		(7,545)		0.00%	-
10	355	Structures & Improvements Power Generation	331,839		-	331,839	3.33%	11,050
11	360	Collection Sewer Forced			-		5.00%	•
12	361		536,023		-	636,023	2.00%	12,720
13	362	Collection Sewers Gravity	6,700,763		•	6,700,763	2.00%	134,015
14	363	Special Collecting Structures Customer Services	4 207 200		•		2.00%	
15	364	Flow Measuring Devices	1,287,363		(05.446)	1,287,363	2.00%	25,747
16	365	Reuse Services	65,412		(65,412)	-	10.00%	-
17	367	Reuse Meters And Installation	•		•	-	2.00%	•
18	370	Receiving Wells			-		8.33%	•
19	371	Pumping Equipment	867,120		-	867,120	3.33%	28,875
20	374	Reuse Distribution Reservoirs	467,276		-	467,276	12.50%	58,410
21	375	Reuse Trans. and Dist. System	•		-	-	2.50%	-
22	380	Treatment & Disposal Equipment	982,394		-	-	2.50%	•
23	381	Plant Sewers	15,362		•	982,394	5.00%	49,120
24	382	Outfail Sewer Lines	13,302		•	15,362	5.00%	768
25	389	Other Sewer Plant & Equipment	- 57,171		(57 470)		3.33%	-
26	390	Office Furniture & Equipment	110,718		(57,170)	0	6.67%	-
27	390.1	Computers and Software	36,045		(4,025)	110,718	6.67%	7,385
28	391	Transportation Equipment	6,322		(4,025)	32,020	20.00%	6,404
29	392	Stores Equipment	0,522		-	6,322	20.00% 4.00%	1,264
30	393	Tools, Shop And Garage Equip	20,391		(5,139)	15,252	5.00%	-
31	394	Laboratory Equip	3,940		(3.138)	3,940		763
32	395	Power Operated Equipment	29,949		-	29,949	10.00% 5.00%	394
33	396	Communication Equip	6,055		(6,057)	25,548	10.00%	1,497
34	397	Miscellaneous Equip.	0,000		(0,007)	(2)	10.00%	•
35	398	Other Tangible Plant	3,913		(3,913)	_ o	10.00%	0
36	398.1	Nogales WWTP	2,431,717		(0,010)	2,431,717	4.72%	114,777
37		SUBTOTAL	\$ 14,073,520	2	(155,462) \$	13,918,057		\$ 453,190
38			,	•	(100,402)	10,010,037		4 433,190
39	903	Land and Land Rights	4,247		(4,247)	_	0.00%	
40	904	Structures and Improvments	46,119		(',= /	46,119	2.56%	1,181
41	940	Office Furniture & Equipment	6,443			6,443	6.67%	430
42	940.1	Computers and Software	41,059			41,059	20.00%	8,212
43		TOTALS	\$ 14,171,387	\$	(159,709) \$	14,011,678		\$ 463,012
44			, , , , , , , , , , , , , , , , , , , ,	•	(100), 00)	,,		4 400,012
45	Less: An	nortization of Contributions				Gross CIAC	Amort. Rate	
46					<u>-</u>	5,112,247		\$ (166,461)
47					•	J,112,247		\$ (166,461) \$ -
48								• - • -
49								\$ -
50								.
51	Total De	preciation Expense					-	\$ 296,551
52		•						a 290,001
53	Adjusted	Test Year Depreciation Expense						326,172
54							-	020,172
55	Increase	(decrease) in Depreciation Expense						(29,621)
56							-	(20,021)
57	Adjustme	ent to Revenues and/or Expenses					:	\$ (29,621)
58		•					=	120,021)
59	SUPPOR	RTING SCHEDULE						

59 <u>SUPPORTING SCHEDULE</u> 60 B-2, page 3

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 2 Exhibit Settlement Schedule C-2 Page 3 Witness: Bourassa

Property Taxes

Line			Test Year		Company
No.	DESCRIPTION	а	s adjusted		commended
1	Company Adjusted Test Year Revenues	\$	1,478,323	\$	1,478,323
2	Weight Factor		2		2
3	Subtotal (Line 1 * Line 2)		2,956,646		2,956,646
4	Company Recommended Revenue		1,478,323		1,640,590
5	Subtotal (Line 4 + Line 5)		4,434,970		4,597,236
6	Number of Years		3		3
7	Three Year Average (Line 5 / Line 6)		1,478,323		1,532,412
8	Department of Revenue Mutilplier		2		2
9	Revenue Base Value (Line 7 * Line 8)		2,956,646		3,064,824
10	Plus: 10% of CWIP (intentionally excluded)				-
11	Less: Net Book Value of Licensed Vehicles		3,743		3,743
12	Full Cash Value (Line 9 + Line 10 - Line 11)		2,952,903		3,061,081
13	Assessment Ratio		18.0%		18.0%
14	Assessment Value (Line 12 * Line 13)		531,523		550,995
15	Composite Property Tax Rate - Obtained from ADOR		14.2600%		14.2600%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$	75,795	\$	78,572
17	Tax on Parcels	•	. 0,1.00	•	70,512
18	Total Property Taxes (Line 16 + Line 17)	\$	75.795		
19	Test Year Property Taxes	\$	75,741		
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	\$	54		
21	, ,,	<u> </u>			
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)			\$	78,572
23	Company Test Year Adjusted Property Tax Expense (Line 18)			¢ v	75,795
24	Increase in Property Tax Due to Increase in Revenue Requirement			+	2,777
25				<u> </u>	2,771
26	Increase in Property Tax Due to Increase in Revenue Requirement (Line 2-	4 \		\$	2,777
27	Increase in Revenue Requirement	7)		S S	162,266
28	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27	1		Ф	1.71120%
29	The second state of the second more and the second control of the	,			1.71120%
30					
31					
22					

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division
Test Year Ended December 31, 2014
Adjustment to Revenues and Expenses
Adjustment Number 3

Exhibit Settlement Schedule C-2 Page 4 Witness: Bourassa

Rate Case Expense

No. 1 2 3 Estimated Rate Case Expense \$ 73,583 4 5 Estimated Amortization Period in Years 5 6 7 Annual Rate Case Expense \$ 14,717 8 Test Year Rate Case Expense \$ 14,717 10 Increase(decrease) Rate Case Expense \$ - 12 13 Adjustment to Revenue and/or Expense \$ - 14 15 16 Reference Testimony 18 19 20	Line			
Estimated Rate Case Expense \$ 73,583 Estimated Amortization Period in Years 5 Annual Rate Case Expense \$ 14,717 Test Year Rate Case Expense \$ 14,717 Increase(decrease) Rate Case Expense \$	<u>No.</u>			
Estimated Rate Case Expense \$ 73,583 Estimated Amortization Period in Years 5 Annual Rate Case Expense \$ 14,717 Test Year Rate Case Expense \$ 14,717 Increase(decrease) Rate Case Expense \$ - Adjustment to Revenue and/or Expense \$ - Reference Testimony Reference Testimony	1			
Estimated Amortization Period in Years 5 Annual Rate Case Expense 7 Test Year Rate Case Expense 10 Increase(decrease) Rate Case Expense 12 Adjustment to Revenue and/or Expense 13 Reference 14 Testimony 18 19				
Estimated Amortization Period in Years Annual Rate Case Expense Test Year Rate Case Expense Increase(decrease) Rate Case Expense Adjustment to Revenue and/or Expense Reference Testimony Reference Testimony	3	Estimated Rate Case Expense	\$	73.583
Annual Rate Case Expense Test Year Rate Case Expense Increase(decrease) Rate Case Expense Adjustment to Revenue and/or Expense Reference Testimony Reference Testimony			-	,
Annual Rate Case Expense \$ 14,717 Test Year Rate Case Expense \$ 14,717 Increase(decrease) Rate Case Expense \$ - Adjustment to Revenue and/or Expense \$ - Reference Testimony Reference Testimony		Estimated Amortization Period in Years		5
8 9 Test Year Rate Case Expense 10 11 Increase(decrease) Rate Case Expense 12 13 Adjustment to Revenue and/or Expense 14 15 16 Reference 17 Testimony 18 19				•
Test Year Rate Case Expense Increase(decrease) Rate Case Expense Adjustment to Revenue and/or Expense Adjustment to Revenue and/or Expense Reference Testimony Testimony		Annual Rate Case Expense	\$	14.717
10 11 Increase(decrease) Rate Case Expense 12 13 Adjustment to Revenue and/or Expense 14 15 16 Reference 17 Testimony 18				
Increase(decrease) Rate Case Expense Adjustment to Revenue and/or Expense Reference Testimony Testimony	-	Test Year Rate Case Expense	\$	14,717
Adjustment to Revenue and/or Expense \$ - Reference Testimony 18				•
Adjustment to Revenue and/or Expense \$	11	Increase(decrease) Rate Case Expense	\$	-
14 15 16 Reference 17 Testimony 18	12		and the second s	
15 16 Reference 17 Testimony 18 19	13	Adjustment to Revenue and/or Expense	s	-
16 Reference 17 Testimony 18 19	14			
17 Testimony 18 19	15			
18 19	16	Reference		
19	17	Testimony		
	18			
20	19			
	20			

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 4

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Line <u>No.</u>

Exhibit Settlement Schedule C-2 Page 5 Witness: Bourassa

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 5 Exhibit Settlement Schedule C-2 Page 6 Witness: Bourassa

Reclass Purchased WW Treatment

Line		
<u>No.</u> 1		
2	Purchased Wastewater Treatment	\$ 108,999
3 4	Contractual Services -Other	(108,999)
5	Increase(decrease) in Expense	\$
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17	SUPPORTING SCHEDULES	
18	Work Papers	
19		
20		

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 6

Exhibit Settlement Schedule C-2 Page 7 Witness: Bourassa

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Line
<u>No.</u>
1
2
3
4
5
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Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses

Adjustment Number 7 Witness: Bourassa

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Exhibit
Settlement Schedule C-2
Page 8
Witness: Bourgess

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division
Test Year Ended December 31, 2014
Adjustment to Revenues and Expenses
Adjustment Number 8

Exhibit Settlement Schedule C-2 Page 9 Witness: Bourassa

Corporate Cost Adjustment - Non-Labor

Line <u>No.</u> 1			
2	Corporate Allocation Adjustment		
4	Adjusted Allocated Non-Labor Costs per Settlement	\$	89,823
5 6	Adjusted Allocated Non-Labor Costs per Direct	•	32,752
7	Adjustment to Contractual Services Professional		· · · · · · · · · · · · · · · · · · ·
8	Adjustment to contractual delyides Professional	\$	57,071
ğ			
10	Adjustment to Revenue and/or Expense	2	67 A74
11	•	_*	57,071
12	Reference		
13	Testimony		
14	Work Papers		
15			
16			
17 18 19 20			

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 9

Exhibit Settlement Schedule C-2 Page 10 Witness: Bourassa

Contracual Services - Labor

Line			
No.	Allegated O. J. 10. 1. O. J. 10. 1.		
1	Allocated Contract Services - Professional (Labor)		
2 3	Adjusted Allogated Contractual Consists ADUO 11100 11 ADD	_	
4	Adjusted Allocated Contractual Services APUC, LUCC and LABS per Settlement	\$	15,506
5	Adjusted Allocated Contractual Services LU(SUB) per Settlement Total	<u>\$</u>	100,647
6	Adjusted Allocated Contractual Services - Professional (labor) per Direct	\$	116,154
7	Required Adjustment		130,165
ė	Amount reclassified to Contractual Services - Other	\$	(14,011)
9	Net Adjustment to Contractual Services Professional	\$	(4.4.04.4)
10	The second of the second second of the secon	<u> </u>	(14,011)
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22	Adjustment to Revenue and/or Expense	\$	(14,011)
23			7.11-1.17
24	Reference		
25	Testimony		
26			
27			

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 10 Exhibit Settlement Schedule C-2 Page 11 Witness: Bourassa

Corporate Cost Adjustment - Labor

Line			
<u>No.</u>			
1			
2	Allocated Contract Services - Professional (Labor)		
3	Allocated Labor Costs per Settlement	\$	116,154
4	Factor (1)	•	6.09%
5	Increase in Labor Costs per Settlement	s	7,074
6	Increase in Labor Costs per Direct	•	4,065
7	Adjustment to Contractual Services - Professional	-\$	3,009
8			0,003
9	Allocated Contract Services - Other (Labor)		
10	Test Year Allocated Labor Costs	\$	145 464
11	Factor (1)	Ψ	145,461
12	Increase in Labor Costs per Settlement	s	6.09%
13	Increase in Labor Costs per Direct	•	8,859
14	Adjustment to Contractual Services - Other	<u>s</u>	1,296
15	, and a summer control of the contro	3	7,562
16			
17			
18	Adjustment to Revenue and/or Expense	•	40.554
19	The state of the s	\$	10,571
20	Reference		
21	Testimony		
22	Work papers		
23	, , , , , ,		
24			
25			

26

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division
Test Year Ended December 31, 2014
Adjustment Revenues and Expenses Adjustment Number 11

Exhibit Settlement Schedule C-2 Page 12 Witness: Bourassa

Capitalized Expense

Line			
No.			
1	Arizona Direct Labor to be Capitalized	\$	56,054
2	·	•	30,034
3	Updated Allocation Factor		2.50%
4			2.5070
5	Allocated Capitalized Expense	\$	1,401
6		•	1,-101
7	Increase (decrease) in Contractual Services - Professional	\$	(1,401)
8			7.1,10.17
9			
10	Adjustment to Revenue and/or Expense	\$	(1,401)
11			771.2.17
12			
13			
14			
15	Reference		
16	Testimony		
17	Work papers		
18			
19			
20			

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 14

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Exhibit Settlement Schedule C-2 Page 15 Witness: Bourassa

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 12

Exhibit Settlement Schedule C-2 Page 13 Witness: Bourassa

<u>Postage</u>

Line			
No.			
1			
2 3	Number of Water Bills in the Test Year Including annualized bills		76,857
4 5	US Postal Decrease in Postage	\$	(0.02)
6 7	Total Adjustment to Postage Due to Postage Price Decrease	\$	(1,537)
8	Sewer Division Allocation Factor		24.23%
10 11	Increase (decrease) in Miscellaneous Expense	\$	(372)
12 13	Adjustment to Revenue and/or Expense	<u>\$</u>	(372)
14			
15			
16			
17	Reference		
18	Testimony		
19	Work papers		
20			

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 13 Exhibit Settlement Schedule C-2 Page 14 Witness: Bourassa

Incentive Pay, Rents, and Other

Line							
No.							
1		RR	! - Water		RR-Sewer		Bella Vista
2	Corporate				THAT GONG!		Della VISTA
3	Contractual Services - Professional Adjustment	\$	(10,550)	\$	(3,224)	æ	/4E 200\
4	-	•	(.0,000)	•	(3,224)	Φ	(15,399)
5	Liberty Utilities Sub Corp.						
6	Contractual Services - Other Adjustment	\$	(5,104)	¢	/4 ECO	•	
7	•		(3, 104)		(1,560)	<u> </u>	(7,451)
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18	Reference						
	Work papers						
20	· · · · · · · · · · · · · · · · · · ·						

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division

Test Year Ended December 31, 2014 Adjustment to Revenues and Expenses Adjustment Number 15 Exhibit Settlement Schedule C-2 Page 16 Witness: Bourassa

Interest Synchronization

Line						
<u>No.</u>						
1						
2 3						
4	Fois Value Bata Dana		_			
5	Fair Value Rate Base		\$	5,279,632		
6	Weighted Cost of Debt Interest Expense			0.93%		
7	melest Expense				\$	49,088
8	Test Year Interest Expense					
9	rest real litterest Expense				\$	55,750
10	Increase (decrease) in Interest E	vnence				(C CC4)
11	marcat (accidace) in interest E	Aperise				(6,661)
12						
13						
14	Adjustment to Revenue and/or Ex	rpense			\$	6,661
15		•		:		0,001
16						
17	Weighted Cost of Debt Computation					
18	Pro forma Capital Structure				w	eighted
19		Percent		Cost	• •	Cost
20	Debt	29.99%		3.10%		0.93%
21	Equity	70.01%		10.80%		7.56%
22	Total	100.00%		-		8.49%
23						
24						
25						
26 27						
27						
28						
29 30						
30						

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014

Test Year Ended December 31, 2014
Adjustment to Revenues and/or Expenses
Adjustment Number 16

Exhibit Settlement Schedule C-2 Page 17 Witness: Bourassa

FILIE				
No.				
1	Income Taxes			
2		Test Year	7	est Year
3		at Present Rates	-	posed Rates
4	Compauted Income Tax	\$ 153,300	£ 45.1.17	212,684
5	Test Year Income tax Expense	-	•	153,300
6	Adjustment to Income Tax Expense	\$ 153,300	•	59,385
7	·	100,000	-	39,365
8				
9				
10				

13 <u>SUPPORTING SCHEDULE</u>

C-3, page 2

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division

Test Year Ended December 31, 2014 Computation of Gross Revenue Conversion Factor Exhibit Settlement Schedule C-3 Page 1

Witness: Bourassa

		Percentage
		of Incremental
Line		Gross
No.	Description	Revenues
1 2	Combined Federal and State Effective Income Tax Rate	37.234%
3	Property Taxes	4.07.40/
4	Topolity Tunes	1.074%
5		
6	Total Tax Percentage	38.308%
7	.	
8 9	Operating Income % = 100% - Tax Percentage	61.692%
10		
11		
12		
13	= Gross Revenue Conversion Factor	
14	Operating Income %	1.6210
15		
16 17		
18		
19		
20		
21		
22		
23 24		
25	SUPPORTING SCHEDULES:	DE045 001150111
26	C-3, page 2	RECAP SCHEDULES: A-1
27	, F-3	A-1
28		
29		
30 31		
32		
33		
34		
35		
36		
37 38		
38 39		
40		

Exhibit Settlement Schedule C-3 Page 2 Witness: Bourassa

GROSS REVENUE CONVERSION FACTOR

Line No.		(A)	(B)	(C)	(O)	(E)	仴
1	<u>Calculation of Gross Revenue Conversion Factor</u> Revenue	100.0000%	.				
2	Uncollecible Factor (Line 11)	0.0000%	<u> </u>				
3	Revenues (L1 - L2) Combined Federal and State Income Tax and Property Tax Rate (Line 23)	100.0000%					
5	Subtotal (L3 - L4)	38,3081% 61,8919%					
6	Revenue Conversion Factor (L1 / L5)	1.620957	<u> </u>				
	Calculation of Uncollectible Factor:						
7	Unity	100,0000%					
8	Combined Federal and State Tax Rate (L17) One Minus Combined Income Tax Rate (L7 - L8)	37.2340% 62.7660%					
10	Uncollectible Rate	0.0000%					
11	Uncollectible Factor (L9 " L10)		0.0000%	•			
	Calculation of Effective Tax Rate:						
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%					
	Arizona State Income Tax Rate Federal Taxable Income (L12 - L13)	4.9000%					
15	Applicable Federal Income Tax Rate (L55, Col E)	95.1000% 34.0000%					
	(= 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	32.3340%					
17	Combined Federal and State Income Tax Rate (L13 +L18)		37.2340%				
	Calculation of Effective Property Tex Factor						
18	Unity	190.0000%					
19 20	Combined Federal and State Income Tax Rate (L17) One Minus Combined Income Tax Rate (L18-L19)	37.2340%					
21	Property Tax Factor	62.7660% 1.7112%					
22	Effective Property Tax Factor (L20°L21)		1.0741%				
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			38.3081%			
24	Required Operating Income						
25	AdjustedTest Year Operating Income (Loss)	\$ 407,613 \$ 307,508					
26	Required Increase in Operating Income (L24 - L25)		\$ 100,105				
27	Income Taxes on Recommended Revenue (Col. (E), L52)	•					
	Income Texes on Test Year Revenue (Col. (B), L54)	\$ 212,684 \$ 153,300					
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)	100,000	\$ 59,385				
30	Recommended Revenue Requirement	\$ 1,640,590					
31	Uncollectible Rate (Line 10)	0.0000%	•				
	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$	•				
	Adjusted Test Year Uncollectible Expense Required Increase in Revenue to Provide for Uncollectible Exp.	•					
	·		•				
	Property Tax with Recommended Revenue Property Tax on Test Year Revenue	\$ 78,572 \$ 75,705					
	Increase in Property Tax Due to Increase in Revenue (L35-L36)	\$ 75,795	\$ 2,777				
38	Total Required Increase in Revenue (L26 + L29 + L37)						
	The state of the s		\$ 162,267				
		(A)	(B)	(C)	(D)	<u>IEI</u>	[F]
		Total	Year		Total Company (Recommended	
	<u>Calculation of Income Tax:</u> Revenue		Sewer			Sewer	
	Revenue Operating Expenses Excluding Income Taxes		\$ 1,478,323 \$ 1,017,516		\$ 1,640,590 \$	1,649,590	
	Synchronized Interest (L47)		\$ 1,017,516 \$ 49,088	1	\$ 1,020,292 \$ \$ 49,086 \$	1,020,292 49,088	}
42	Arizona Taxable Income (L39 - L40 - L41)	\$ 411,719	\$ 411,719		\$ 571,210 \$	571,210	
43 44	Arizona State Effective Income Tax Rete (see work papers) Arizona Income Tax (L42 x L43)	\$ 4.9000% \$ 20.174	4.9000%		4.9000%	4.9000%	
	Federal Taxable Income (L42- L44)		\$ 20,174 \$ 391,545	1	\$ 27,989 \$ \$ 543,221 \$	27,989	
46	Faderal Torres - First - B. J. (4)		301,013	1	\$ 543,221 \$	543,221	
4/ 48	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15% Federal Tax on Second Income Bracket (\$50,001 - \$75,000) @ 25%		\$ 7.500		\$ 7,500 \$	7,500	•
49	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	1	\$ 6,250 \$ 8,500	ı	\$ 6,250 \$ \$ 8,500 \$	6,250	
50	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$ 91,650	\$ 91,650	ł	\$ 8,500 \$ \$ 91,650 \$	8,500 91,650	
51 52	Federal Tax on Fifth Income Bracket (\$335,001 -\$10,000,000) @ 34%	\$ 19,225	\$ 19,225	l	\$ 70,795 \$	70,795	
53	Total Federal Income Tax	\$ 133,125	\$ 133,125	ŀ	\$ 184,695 \$	184 606	1
54	Combined Federal and State Income Tax (L35 + L42)	\$ 153,300			\$ 212,684 \$	184,695 212,684	
55	COMBINED Applicable Federal Income Tax Rate [Col. [D], L53 - Col. [A], L53 /	ICAL (D) 145 - Cat (A) 1462					
36 .	<u>WAS LEWATER Applicable Federal Income Tax Rale (Col. JEI, L53 - Col. [8] L</u>	531 / ICol. IE1 1.45 - Col. IR1 1.451			34.0000%	34.0000%	
57	WATER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [C], L53] / [Col.	l. (F), L45 - Col. (C), L45				34.00 00 76	0.0000%

Ça	k	ula	tion of	interest	Sync	hronia	ation

58 Rate Base
59 Weighted Average Cost of Debt
60 Synchronized Interest (L45 X L46)

	 Sewer	
	\$ 5,279,632	
ľ	0.9298%	
1	\$ 49 088	

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division

Test Year Ended December 31, 2014 Summary of Cost of Capital

30

Exhibit

Settlement Schedule D-1

Page 1

Witness: Bourassa

Consolidated Capital Structure of Water and Wastewater Division

Projected Capital Structure

Line No.	Item of Capital Long-Term Debt	Percent of <u>Total</u> 29.99%	Cost Weighted Rate Cost 3.10% 0.93%
2			
3	Stockholder's Equity	70.01%	9.70% 6.79%
4			
5	Totals	100.00%	7.72%
6			
7			
8			
9 10			
11			
12			
13			
14			
15			
16			•
17			
18			
19			
20			
21			
22	SUPPORTING SCHEDULES:		
23	D-1		
24	Testimony		
25 26			
26 27			
28			
29			
20			

Liberty Utilities (Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Revenue Summary With Annualized Revenues to Year End Number of Customers

Exhibit Settlement Schedule H-1 Page 1 Witness: Bourassa

	WW WW WW CENUES 73.27% 0.33% 0.55% 0.53%	5% 74.13%	3.20% 3.34%	3% 3.94%		0.51%		18.36%	8% 0.08%		0.73% 0.81%	2% 2.53% 2% 7.09%	0.32% 0.34% 0.09% 0.09%	2% 0.43%	
Percent of	%%%	7.50% 76.55%	15.92% 3.2			12.83% 0.5		21.25% 16.81%	7.50% 0.0			26.50% 6.2	14.76% 0.3 10.83% 0.0	13.87% 0.42%	
	Change Change 83,408 7.50 369 7.50 6.06 7.50	84,383 7	7,487 15				19,979 31.	52,492 21		.,	2,621 24.		703 14. 150 10.	853 13.	
	Proposed CI Revenues CI 1,195,512 \$ 5,284 8,691	1,209,487	54,511 \$	22 437	66,870	8,243	83,173	299,491 \$	1,251 \$	46,484	13,289 54 632	115,656 \$	5,466 1,539	7,005	7 634 6300 4
	Present Revenues 1,112,104 \$ 4,916 8.085	1,125,104	47,024 \$	18,582	56,017	7,306	63,195	246,999	1,164 \$	37,639	10,668 41 955	91,426 \$	4,763 \$ 1,389	6,152	1 460 680 7 6
	Class Residential Residential Residential	Subtotal	Commercial	Commercial	Commercial	Commercial	Commercial	Subtotal \$	_	~ ·	Commercial (SCUSD)	Subtotal	Multi-tenant Multi-tenant	Subtotal	Total Revenues Before Annualization
	Meter Size 5/8X3/4 Inch 3/4 inch 1 inch		5/8X3/4 Inch 1 Inch	1 1/2 Inch	2 Inch	3 Inch	4 inch		5/8X3/4 Inch	Z Inch	6 to		5/8X3/4 Inch 1 1/2 Inch		otal Revenues Bei

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Revenue Summary With Annuelized Revenues to Year End Number of Customers

Exhibit Settlement Schedule H-1 Page 2 Witness: Bourassa

Revenue Annualization

	احا						_					
Additional Bills (28) 9	(4)	-	φ,			7	Ξ,	• • •	9	1 1		က
Percent Change 0.00% 7.50% 7.50%	7.50%	13.77%	13.5 4 %	35.50%	35.50% 0.00%	19.70%	0.00%	%00.0 0.00	7.50%	0.00% 0.00%	%00.0	17.73%
 Dollar Pe Change Cl (103) 38 78 78	13	တ	2.	က	. 2	130	ල ,	1 1	(3)		ľ	139
Proposed Revenues (1,475) 547 1,114	186	72	009 -	9	6/ -	761	(20)		(20)			\$ 268
Present Revenues (1,372) \$ 1,037	173 \$	63 63	67C	7	8 6 -	657 \$	(47) \$	1 •	(47) \$	↔	ω	784 \$
₩	€9	€9				ss	↔		(/)	₩	ω	€5
								'	,		•	
Class Residential Residential Residential	Subtotal	Commercial	Commercial	Commercial	Commercial	Subtotal	Commercial (SCUSD) Commercial (SCUSD)	Commercial (SCUSD) Commercial (SCUSD)	Subtotal	Multi-tenant Multi-tenant	Subtotal	nualization
Size Class 5/8X3/4 Inch Residential 3/4 Inch Residential	Subtotal	5/8X3/4 inch Commercial			-	Subtotal	5/8X3/4 Inch Commercial (SCUSD) 2 Inch Commercial (SCUSD)		Subtotal	5/8X3/4 Inch Multi-tenant 1 1/2 Inch Multi-tenant	Subtotal	Total Revenue Annualization

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Revenue Summary With Annualized Revenues to Year End Number of Customers

Exhibit Settlement Schedule H-1 Page 3

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		9				; ;		of Present	of Proposed
		Revenues		Revenues	•	Dollar Change	ercent Change	WW Revenues	Revenues
Subtotal Revenues Subtotal Revenue Annualization	()	1,469,681	69	1,631,639 \$	↔	161,959	11.02%	100.00%	100.00%
Total Revenues	₩.	1,470,465	₩,	1,632,536	₩	162,072	11.02%	u.05%	%co.o
Misc. Revenues	69	7,468	₩	7,468		•	0.00%	0.51%	0.46%
Total Water December		068		584		194	49.74%	0.03%	0.04%
icial water nevertues	ð	1,478,323	s	1,640,589	\$	162,266	10.98%	0.00%	0.00%

Liberty Utilities (Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Customer Summary At 9.5% WACC

Exhibit
Settlement Schedule H-2
Page 1
Witness: Bourassa

<u>rease</u> Percent Amount 7.50% 7.50% 7.50%		9.71% 14.88% 20.46% 12.48%	8 0 10	7.50% 23.44% 24.57% 30.22%	11.71% 10.28%	
Proposed Increase Dollar Percent Amount Amount 3.68 7.56 4.24 7.57 5.18 7.57		5.17 13.97 38.84 43.96 37.42	4	3.49 73.13 218.41 1,056.45	6.76 11.64	
Bill Proposed <u>Rates</u> 52.68 60.74 74.28		58.37 107.81 228.71 279.38 337.25	200	50.04 385.17 1,107.43 4,552.67	64.44 124.89	
Average Bill Present Pro Rates R 49.00 \$ 56.50 69.10		53.20 \$ 93.84 189.86 235.43 299.83	: ; ;	46.55 \$ 312.04 889.03 3,496.22	57.68 \$ 113.25	
- w		65		↔	€9	
Average Consumption		7,841 11,948 24,573 25,785 17,667 460,542		440 44,392 121,083 604,167	8,736 9,250	
(a) Average Number of Customers at 12/31/2014 7	1,908	86 4 8 6 C C C	130	10 10 14	0-1-	2,046
<u>Meter Stze, Class</u> Residential Residential Residential	Subtotal	Commercial Commercial Commercial Commercial Commercial	Subtotal	Commercial (SCUSD) Commercial (SCUSD) Commercial (SCUSD) Commercial (SCUSD) Subtotal	Multi-tenant Multi-tenant Subtotal	Total
5/8X3/4 Inch 3/4 Inch 1 Inch		5/8X3/4 Inch 1 Inch 1 1/2 Inch 2 Inch 3 Inch 4 Inch		5/8X3/4 inch 2 Inch 4 Inch 6 Inch	5/8X3/4 Inch 1 1/2 Inch	

⁽a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year. Lina | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No. | No.

Liberty Utilities (Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Customer Summary

Exhibit Settlement Schedule H-2 Page 2 Witness: Bourassa

Crease Percent 7.50% 7.50%		7.50%	14.27% 8.46%	15.44%	30.34%		7.50%	21.30%	24.56%	90.33 A	A Rew	9.42%	1 7 t.o				
Proposed Increase Dollar Percen Amount Amount 3.68 7.55 4.24 7.55	3	3.68 5.18	19.19	53.10	601.62		3.49	56.45	218.27	0 1 1	4 56	10.31	<u> </u>				
Bill Proposed <u>Rates</u> 52.68 60.74		52.68 74.28	153.69	397.10	2,584.52		50.04	321.50	1,106.90	ŕ	26.06	119.81					
an &		67					₩				€9						
Median Bill Present Pro Rates F 56.50 69.10		69.10	146.50	344.00	1,982.90		46.55	265.05	3 737 93		51.50	109.50					
↔	+	9					₩				G						
Median Consumption		7,000 2,000	8,000	26,500	one'nee		200	58,500	121,000		7,500	8,500	•				
(a) Average Number of Customers at 12/31/2014 1,891	1,908	8 4 °	ē	~ (7	130	2	5,		41	9	-	2			2,046	
Mater Size, Class Residential Residential Residential	Subtotal	Commercial Commercial	Commercial	Commercial		Subtotal	Commercial (SCUSD)	Commercial (SCUSD)	Commercial (SCUSD)	Subtotal	Multi-tenant	Multi-tenant	Subtotal			Total	•
5/8X3/4 Inch 3/4 Inch 1 Inch	404 Lock	1 Inch 1 1/2 Inch	2 Inch	3 Inch 4 Inch	5		5/8X3/4 Inch	2 Inch 4 Inch	6 Inch		5/8X3/4 Inch	1 1/2 Inch					
Line 100 1	4 40 60 1	- co o	유	- 5	<u>ဗ</u>	4 to	16	_ ¤	6	7 50	22	23	25	56	28 24	8 8 8	

⁽a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year. 32

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014 Present and Proposed Rates

Exhibit Settlement Schedule H-3 Page 1 Witness: Bourassa

Percent <u>Change</u>	8 7.50%																						~								tomers meeting		er and/or wastewater		
Change	3.68		5.18	7.65	10.61	18.49	27.41	52.08	79.33	118.88	169.06								allons)	Proposed	Kates	1	6.78								esidential cus	1	ieceiviiig wat		
	49																		Ö			•	47								2	,	G		
Proposed Rates 1.2	52.68	60.74	74.28	109.65	152.11	264.99	392.81	746.48	1,137.11	1,703.95	2,423.14								(Per 1,000 gallons)	Present Data 1.2	Males	,	5.00								arges to qualific	Ol Dietrick No.			
	69																					49	*								ç	S	3		
Present Rates 1.2	49.00	56.50	69.10	102.00	141.50	246.50	365.40	694.40	1,057.78	1,585.07	2,254.08											ons									and commodity	Coly Couply	a state cooling		
	69																			Riock		0 gallons to 7,000 gallons	over 7,000 gallons								able on monthly minimum a	sools operated by the Sant			
Monthly Minimum Charge for: Meter Size (All Classes):	5/8 Inch	3/4 inch	1 Inch	1 1/2 Inch	Z India	SINGI	4 Inch	e inch	8 Inch	10 Inch	12 Inch								Commodity Rates	(Commercial and Multi-tenant Only)		All Meter Sizes								1 to 1 to 1 to 1 to 1 to 1 to 1 to 1 to	Low income Lanit - A 13% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the low income qualifications.	² A 5% discount is applicable to the public schools onerated by the Santa Crus Caunty School District No. 25 constitutions	utility services from the Company	\$	N = No lariff
항	~	~	· .	4 4	0	9 1	~ •	o o	э» (2 ;	- 2	5	4	5	2 ;	- :	٥ ;	2 5	2 2	22	23	24	52	3 9	7 6	29	30	3	32	3 3	, %	36	37	2 6	8 4

Low Income Tariff - A 15% discount is available on monthly minimum and commodity charges to qualified residential customers meeting the low income qualifications.

² A 5 % discount is applicable to the public schools operated by the Santa Cruz County School District No. 35 receiving water and/or wastewater utility services from the Company

NT = No Tariff

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division

Changes in Representative Rate Schedules Test Year Ended December 31, 2014

Exhibit Settlement Schedule H-3 Page 2 Witness: Bourassa

Line		Pr	esent	Pr	oposed
<u>No.</u>	Other Service Charges	- •	ates		Rates
1	Establishment	\$	15.00	\$	25.00
2	Reestablishment (within 12 months)		(1)	•	(1)
3	Disconnection/Reconnection (Delinquent)	\$	15.00	С	ost(2)
4	Deposit		(3)		(3)
5	Deposit Interest		(4)	6	5%(4)
6	NSF Check	\$	25.00	\$	10.00
7	Late Payment Penalty	1.5% pe	er month	1.5%	per month
8	Deferred Payment		er month		per month
9	Service Charge - after hours	\$	50.00	\$	50.00
10				•	

11 12

13 (1) Per Commission Rule A.A.C. R14-2-603(D) - Months off the system times the monthly minimum.

14 (2) The actual cost of disconnection and reconnection, including costs for excavation and trenching, pipeline 15 modification, backfill and grading, road repairs and permitting.

16 (3) Per Commission Rule A.A.C. R-14-2-603(B)

(4) Per Commission Rule A.A.C. R14-2-603(D) - Months off the system times the monthly minimum. 17

18 20

19 (a) At customers request. No charge for service during normal working hours.

24

21 IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-608D(5).

25 26 27

28

29 30 31

32 33

Liberty Utilities (Rio Rico Water & Sewer) Corp. - Sewer Division Test Year Ended December 31, 2014

Meter and Service Line Charges

Exhibit

Settlement Schedule H-3

Page 3 Witness: Bourassa

	Wieler Bild Servi	ice the charges	
Line No. 1 2 3 4 5	Service Line Installation Charges		
5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Service Line Size 4 Inch 6 Inch 8 Inch 10 Inch 12 Inch	Present Charge At Cost At Cost At Cost At Cost At Cost At Cost	Proposed Charge At Cost At Cost At Cost At Cost At Cost At Cost
22 23 24 25 26 27 28 29			
30 31			

32 N/T = No Tariff

ATTACHMENT B Depreciation Schedules

Liberty Utilities (Bella Vista Water)

		12.0	
	19 19 19 19 19 19 19 19 19 19 19 19 19 1		
			Trislandis (1995). Trislandis (1996).
304	Structures & Improvements	30	3.33
305	Collecting & Impounding Reservoirs	40	2.50
306	Lake, River, Canal Intakes	40	2.50
307	Wells & Springs	30	3.33
308	Infiltration Galleries	15	6.67
309	Raw Water Supply Mains	50	2.00
310	Power Generation Equipment	20	5.00
311	Pumping Equipment	8	12.50
320	Water Treatment Equipment		Artist
320.1	Water Treatment Plants	30	3.33
320.2	Solution Chemical Feeders	5	20.00
330	Distribution Reservoirs & Standpipes	74	
330.1	Storage Tanks	45	2.22
330.2	Pressure Tanks	20	5.00
331	Transmission & Distribution Mains	50	2.00
333	Services	30	3.33
334	Meters	12	8.33
335	Hydrants	50	2.00
336	Backflow Prevention Devices	15	6.67
339	Other Plant & Misc. Equipment	15	6.67
340	Office Furniture & Equipment	15	6.67
340.1	Computers & Software	5	20.00
341	Transportation Equipment	5	20.00
342	Stores Equipment	25	4.00
343	Tools, Shop & Garage Equipment	20	5.00
344	Laboratory Equipment	10	10.00
345	Power Operated Equipment	20	5.00
346	Communication Equipment	10	10.00
347	Miscellaneous Equipment	10	10.00
347.1	Compressed Natural Gas System	30	3.33
348	Other Tangible Plant	10	10.00

Liberty Utilities (Rio Riso Water)

Table B. Depreciation Rates

NARUC Acct. No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)
304	Structures & Improvements	30	3.33
305	Collecting & Impounding Reservoirs	40	2.50
306	Lake, River, Canal Intakes	40	2.50
307	Wells & Springs	30	3.33
308	Infiltration Galleries	15	6.67
309	Raw Water Supply Mains	50	2.00
310	Power Generation Equipment	20	5.00
311	Pumping Equipment	8	12.5
320	Water Treatment Equipment	201 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
320.1	Water Treatment Plants	30	3.33
320.2	Solution Chemical Feeders	5	20.0
330	Distribution Reservoirs & Standpipes	The second secon	
330.1	Storage Tanks	45	2.22
330.2	Pressure Tanks	20	5.00
331	Transmission & Distribution Mains	50	2.00
333	Services	30	3.33
334	Meters	12	8.33
335	Hydrants	50	2.00
336	Backflow Prevention Devices	15	6.67
339	Other Plant & Misc Equipment	15	6.67
340	Office Furniture & Equipment	15	6.67
340.1	Computers & Software	5	20.00
341	Transportation Equipment	5	20.00
342	Stores Equipment	25	4.00
343	Tools, Shop & Garage Equipment	20	5.00
344	Laboratory Equipment	10	10.00
345	Power Operated Equipment	20	5.00
346	Communication Equipment	10	10.00
347	Miscellaneous Equipment	10	10.00
348	Other Tangible Plant		

NOTES:

- 1. These depreciation rates represent average expected rates. Water companies may experience different rates due to variations in construction, environment, or the physical and chemical characteristics of the water.
- 2. Acct. 348, Other Tangible Plant may vary from 5% to 50%. The depreciation rate would be set in accordance with the specific capital items in this account.

Liberty Utilities (Rio Rico Sewer)

NARUC	Depreciable Plant	Average Service Life	Annual
Acct. No.	Depreciable Flant	•	Accrual Rate
354	Structures & Improvements	(Years)	(%)
355	* · · · · · · · · · · · · · · · · · · ·	30	3.33
360	Power Generation Equipment Collection Sewers – Force	20	5.00
361	4	50	2.0
	Collection Sewers- Gravity	50	2.0
362	Special Collecting Structures	50	2.0
363	Services to Customers	50	2.0
364	Flow Measuring Devices	10	10.0
365	Flow Measuring Installations	10	10.00
366	Reuse Services	50	2.00
367	Reuse Meters & Meter Installations	12	8.33
370	Receiving Wells	30	3.33
371	Pumping Equipment	8	12.50
374	Reuse Distribution Reservoirs	40	2.50
375	Reuse Transmission & Distribution System	40	2.50
380	Treatment & Disposal Equipment	20	5.0
381	Plant Sewers	20	5.0
382	Outfall Sewer Lines	30	3.33
389	Other Plant & Miscellaneous Equipment	15	6.67
390	Office Furniture & Equipment	15	6.67
390.1	Computers & Software	5	20.0
391	Transportation Equipment	5	20.0
392	Stores Equipment	25	4.0
393	Tools, Shop & Garage Equipment	20	5.0
394	Laboratory Equipment	10	10.0
395	Power Operated Equipment	20	5.0
396	Communication Equipment	10	10.0
397	Miscellaneous Equipment	10	10.0
398	Other Tangible Plant		

NOTE: Acct. 398, Other Tangible Plant may vary from 5% to 50%. The depreciation rate would be set in accordance with the specific capital items in this account.

ATTACHMENT C Liberty Bella Vista Curtailment Plan

ATTACHMENT 2

LIBERTY UTILITIES (BELLA VISTA WATER) CORP.	Sheet No.
DOCKET NO.	Cancelling Sheet No.

CURTAILMENT PLAN FOR LIBERTY UTILITIES (BELLA VISTA WATER) CORP.

Bella Vista City
ADEQ Public Water System Number: 02-010

Bella Vista South
ADEQ Public Water System Number: 02-007

Northern Sunrise (Coronado/Sierra Sunset) ADEQ Public Water System Number: 02-013

Northern Sunrise (Mustang/Crystal)
ADEQ Public Water System Number: 02-054

Southern Sunrise (Cochise)
ADEQ Public Water System Number: 02-011

Southern Sunrise (Miracle Valley)
ADEQ Public Water System Number: 02-023

Liberty Utilities (Bella Vista Water) Corp. ("Company") is authorized to curtail water service to all customers within its certified area under the tenns and conditions listed in this tariff.

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff or no later than sixty (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment tariff to any customer, upon request.

Stage 1 Exists When:

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

Restrictions: Under Stage 1, the Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

Stage 2 Exists When:

Company's water storage or well production has been less than 80 percent of capacity for at less
 48 consecutive hours, and

	•			
latuce:			Effective	
	ISSUED BY:			 _

Manthew Gartick, President Liberty Utitaties (Bella Vista Water) Corp. 12725 W. Indian School Road, Suite D-101 Avondale, AZ 85392 DOCKET NO.

Cancelling Sheet No.

b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

Stage 3 Exists When:

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, the Company shall request the customer to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended.

Notice Requirements:

- Company is required to notify customers by delivering written notice to each service address; or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
- Beginning with Stage 3, the Company shall post at least two (2) signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
- The Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

Stage 4 Exists When:

 Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and

sened:		Effective:	
	ISSUED BY:		

Matthew Greffek, President Liberty Utilities (Bella Vista Water) Corp. 12725 W. Indian School Road, Suite D-101 Avonésie, AZ 85392

LIBERTY UTILITIES (BELLA VISTA WATER) CORP.	Sheet No
DOCKET NO.	Cancelling Shoot No

b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a mandatory restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

- Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- Washing of any vehicle is prohibited
- The use of water for dust control or any outdoor cleaning uses is prohibited
- The use of drip or misting systems of any kind is prohibited
- The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- The use of construction water is prohibited
- Restaurant patrons shall be served water only upon request
- Any other water intensive activity is prohibited

The Company's operation of its standpipe service is prohibited. The addition of new service lines and meter installations is prohibited.

Notice Requirements:

- Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
- Company shall post at least two (2) signs showing curtailment stage. Signs shall be posted at
 noticeable locations, like at the well sites and at the entrance to major subdivisions served by the
 Company.
- Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency discrete from an approved supply or must otherwise provide emergency drinking water for its outcomers until a permanent solution has been implemented.

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor use. Failure to comply within two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

ssueć:		Effective:
	ISSUED BY:	

Matthew Gartick, President Liberty Utilities (Bells Vista Water) Corp. 12725 W. Indian School Road, Suite D-101 Avondaie, AZ 85392

ATTACHMENT D Liberty Bella Vista Cross-Connection or Backflow Tariff

DOCKET NO.

Cancelling Sheet No.

Applies to all WATER service areas STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

IV. CROSS-CONNECTION OR BACKFLOW TARIFF

PURPOSE.

The purpose of this tariff is to protect Liberty Utilities (Bella Vista Water) Corp. ("Company") from the possibility of contamination caused by the backflow of contaminates that may be present on the customer's premises by requiring the installation and periodic testing of backflow prevention assemblies pursuant to the provisions of Arizona Administrative Code (A.A.C.) R14-2-405.B.6 and A.A.C. R18-4-215.

REQUIREMENTS.

In compliance with the rules and regulations of the Arizona Corporation Commission ("Commission") and the Arizona Department of Environmental Quality ("ADEQ"), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-215 relating to backflow prevention:

- The Company may require a customer to pay for and install a backflowprevention assembly if A.A.C. R18-4-215.B or C applies.
- Any backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-215.D and E.
- Subject to the provision of A.A.C. R14-2-407 and 410 and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or may dony service to a customer who fails to install a backflow-prevention assembly as required by this tariff.
- 4. The Company shall give any existing customer who is required to install a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is not applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why she or he cannot install the device within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

Issued:

ISSUED BY:

Effective:

Matthew Gurtick, President Liberty Utilities (Bella Vista Water Corp. 12725 W. Indian School Road, Suite D-101 Avondale, AZ 85392

Applies to all WATER service areas STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

- 5. Testing shall be in conformance with the requirement of A.A.C. R18-4-215.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests. The Company may also require the customer to pay for repairs to a backflow-prevention assembly.
- The customer shall provide the Company with records of installation and testing.
 For each backflow-prevention assembly, these records shall include:
 - a. assembly identification number and description;
 - b. location;
 - c. date(s) of test(s);
 - d. description of repairs and recommendations for repairs made by tester, and
 - c. the tester's name and certification number.
- 7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested before service is restored.
- 8. In the event the backflow-prevention assembly does not function property or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is not applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

····		
Issued:		Effective:
	ISSUED BY:	